Daily Report

Latin America

FBIS-LAT-93-143
Wednesday
28 July 1993

Daily Report
Latin America

FBIS-LAT-93-143 *28 July 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Banana Exporting Countries Criticize EEC Policy *[LA PRENSA 25 Jul]* 1
Argentina Asked To Discuss Quota Decision at Mercosur *[Montevideo Radio]* 1
Continental Air Forces To Participate in Drug Enforcement *[NOTICIAS ARGENTINAS]* 1

CARIBBEAN

Cuba

Castro, Other Leaders Appear at Moncada Barracks Ceremony *[Havana TV]* 3
Castro, Alarcon, Lage at Sao Paulo Forum *[Havana Radio]* 3

Dominican Republic

Balaguer To Go to Houston 28 Jul for Medical Examination *[Mexico City NOTIMEX]* 11
Rumors About Balaguer's Health *[Madrid EFE]* 11

Haiti

Opposition Senator Attacked, Wounded by Gunmen in Capital *[AFP]* 12
Further on Aristide Choice of Malval as Prime Minister *[Port-au-Prince Radio]* 12
Malval Profiled *[Port-au-Prince Radio]* 13
Rene Thedore on Prime Minister Choice *[Port-au-Prince Radio]* 13
Business Sector 'Cautiously Optimistic' After Summit *[Port-au-Prince Radio]* 14

Trinidad and Tobago

Leading Trade Union Opposes Utility Privatization *[CANA]* 14

MEXICO

Secretariat To Challenge U.S. Ruling on Steel *[Mexico City TV]* 15
Testing Continues for Acid Leaks From Norwegian Tanker *[Mexico City TV]* 15
Salvage Specialists Extract More Fuel *[NOTIMEX]* 15

CENTRAL AMERICA

Costa Rica

Former Finance Minister on Fiscal Deficit *[LA REPUBLICA 19 Jul]* 16
Government Strives To Prevent 28 Jul Strike *[San Jose Radio]* 16

El Salvador

Minister on U.S. Troops Sparking Fear of AIDS *[San Salvador Radio]* 17

Guatemala

Displaced Persons Council Holds March, Presents Demands *[Guatemala City TV]* 17

Honduras

Callejas Warns Aid Needed To Solve Nicaragua's Problems *[TIEMPO 26 Jul]* 17
Armed Forces Placed on Alert Due to Violence in Nicaragua *[EL HERALDO 23 Jul]* 17
Salvadoran-Honduran Commission Visits Border Towns *[San Salvador TV]* 18
* High Infant Mortality Ascribed to Pollution *[LA TRIBUNA 17 Apr]* 18
* Regional Exports Up in First Quarter *[TIEMPO 15 Jun]* 19
* April Consumer Price Index Up Two Percent *[LA PRENSA 10 May]* 19
* April Wholesale Price Index Up 2.8 Percent *[LA PRENSA 10 May]* 20
* Fuel Imports Take 35 Percent of Foreign Exchange *[EL HERALDO 12 May]* 20
* National Corn Crop To Total 15 Million Quintals *[LA TRIBUNA 26 May]* 20

Nicaragua

Daniel Ortega Says Government Generates Social Violence *[Managua Radio]* 21

Panama

Endara Affirms U.S. Bases To Leave in 2000 *[Panama City Radio]* 21
Endara Addresses Future of Panama Canal *[Panama City TV]* 21
Serrano Unharmed by Gunshot Fired at Vehicle *[Panama City TV]* 22
President Endara Stands by Agreement on Walker Nomination *[LA PRENSA 23 Jul]* 22
Jesuits Reaffirm 'Repudiation' *[EL PANAMA AMERICA 22 Jul]* 22
Human Rights Group Critical *[EL PANAMA AMERICA 24 Jul]* 23
Wants Reconsideration *[LA PRENSA 22 Jul]* 23
Legislator Criticizes U.S. Interpretation of Treaties *[LA PRENSA 26 Jul]* 23
Commerce Chamber Asks Government To Establish Tariff Policy *[EL PANAMA AMERICA 26 Jul]* 25
Merchants, Industrialists Oppose Tariff Reduction Policy *[EL PANAMA AMERICA 26 Jul]* 25
Poll Indicates Panamanians Favor Constituent Assembly *[LA PRENSA 25 Jul]* 25
Immigration Director on Incident Involving PRC Citizens *[LA PRENSA 24 Jul]* 26
Political Parties Agree To Create Oversight Organization *[EL PANAMA AMERICA 20 Jul]* 26
Government Reports State Payroll Reduced by 7,000 Positions *[LA PRENSA 24 Jul]* 26
Housing Minister on Plans for Reverted Areas *[Panama City TV]* 27
University of Panama Opens Canal Studies Institute *[EL PANAMA AMERICA 24 Jul]* 27

SOUTH AMERICA

Argentina

Romania's President Iliescu Arrives for 48-Hour Visit *[NOTICIAS ARGENTINAS]* 28
Iliescu, Menem Agree To Enhance Cooperation *[Bucharest ROMPRES]* 28
Opposition Leader Opposes 'Associate' Status for Falklands *[NOTICIAS ARGENTINAS]* 29
Argentine Stance on Expanding Security Council Viewed *[CLARIN 19 Jul]* 29
Finance Ministry Discloses Details of 1994 Budget *[LA PRENSA 15 Jul]* 30

Bolivia

EC Representative Criticizes Lack of Cooperation *[La Paz Radio]* 31
Former Foreign Minister Explains Resignation *[La Paz TV]* 31
New Foreign Minister on 'Unchanged' Chilean Relations *[La Paz TV]* 33

Brazil

Franco Issues Communique Rejecting Military Coup Report *[Brasilia Radio]* 33
Newspaper Report Called 'Sensationalist' *[Brasilia Radio]* 34
Government Adopts Measures To Improve Public Enterprises *[O ESTADO DE SAO PAULO 14 Jul]* 34
Newspaper Views Difficulties Within Mercosur *[O ESTADO DE SAO PAULO 14 Jul]* 34
* Exports to Cuba Decline in 1993 *[GAZETA MERCANTIL 30 Jun]* 35
* 1991 Census Reveals Rise in Elderly Population *[GAZETA MERCANTIL 1 Jul]* 36

Chile

President Aylwin Meets Generals, Pinochet *[Santiago TV]* 37
Trade Relations With PRC Showing 'Spectacular' Growth *[Santiago Radio]* 38

Colombia

* Development Plans of Cusiana Oil Reserves 38
* National Planning Report *[EL ESPECTADOR 29 Jun]* 38
* Further on Report *[EL ESPECTADOR 30 Jun]* 39
* Earnings Estimated *[EL ESPECTADOR 30 Jun]* 40
* Estimate of Reserves *[EL ESPECTADOR 29 Jun]* 41
* Enhanced Security *[EL ESPECTADOR 30 Jun]* 41

Paraguay

High-Ranking Officers Group Proposes Joint Chief of Staff *[ABC COLOR 22 Jul]* 41

Peru

Witnesses Describe Terrorist Attack on U.S. Embassy *[Lima TV]* 42
Guzman Reportedly Admits Defeat of Shining Path *[Madrid EFE]* 43
President Fujimori Presides Over Independence Day Parade *[Lima TV]* 43
President Praises Military, National Police Commanders *[Lima TV]* 44
Constituent Congress President Interviewed *[EXPRESO 11 Jul]* 44

Banana Exporting Countries Criticize EEC Policy

PA2707151993 Panama City LA PRENSA in Spanish 25 Jul 93 p 24A

["Text" of the declaration issued by the Union of Banana Exporting Countries, UPEB, in Panama City on 23 July]

[Text] The implementation of the new EEC banana import policy, which has been in force since 1 July, entails serious economic and social repercussions for Latin American banana-producing countries. This policy negatively affects the living conditions and right to work of thousands of people who depend directly or indirectly on banana-related activities to earn a living.

In fact, exports for the second half of 1993 might be reduced by at least 300,000 tons under the amount estimated for 1993, and this is equivalent to a 25 or 30 percent reduction. In addition, there is a clear danger that this reduction might be even larger because of the enforcement of the harmful "lumping" [hermanamiento] clause.

The implementation of the licensing system and the lumping mechanism has generated serious distortions that cause confusion and diversion in the banana trade and has created a parallel licensing market that is more profitable than the production and marketing of the fruit.

The 2 million ton quota supposedly assigned to Latin America not only falls short of the traditional level of our exports, but it also harms the region as it allows other suppliers to participate.

These circumstances prove true the repeated warnings made by our governments, the private sector, banana workers, the Union of Banana Exporting Countries, and even some EEC member countries and European importers.

These initial results confirm that all nations respectful of the principles of a multilateral free trade system should reject a system based on protective quotas and tariffs, such as the one the EEC has enforced.

Consequently, we support all actions by governments and business people against the new EEC banana trade policy.

In this vein, we urge the EEC to accept the resolutions of the decision issued by the Special Group, out of respect for the GATT system for the settlement of disputes, and to replace its current banana policy for one based on free trade.

Argentina Asked To Discuss Quota Decision at Mercosur

PY2407154793 Montevideo Radio El Espectador Network in Spanish 0930 GMT 24 Jul 93

[Text] The Paraguayan delegation asked that the Argentine Government's decision to implement quotas on imports be included on the agenda of the Mercosur [Common Market of the South] Subgroup 10 on Macroeconomic Policy. The subgroup met in Rio de Janeiro yesterday afternoon.

The group discussed the thorny issue that has entered the agenda of problems to be resolved within the Asuncion Treaty's framework.

Official sources confirmed the possibility of including the issue in the negotiations of the aforementioned technical group. Ignacio Garcia Pelufo, the Uruguayan delegate and group coordinator, is currently in Rio for that purpose.

Paraguayan authorities are very concerned with the commercial restrictions adopted by Argentina and will ask for an explanation. Let us recall that the other day Argentine industrialists also pressured the government to limit Uruguayan exports to the Argentine market as much as possible.

Continental Air Forces To Participate in Drug Enforcement

PY2107191193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1742 GMT 14 Jul 93

[Text] Santiago, 14 Jul (AFP-NA)—The conclusions of the 33d Conference of Air Forces Chiefs of the Americas were released on 14 July. They establish that the air forces of the continent will conduct an all-out struggle against drug trafficking and terrorism through special security mechanisms.

Within two months this service of the Latin American armed forces will begin new actions along their respective borders to curtail the movement of drug traffickers and terrorists. They will make full use of their operational capabilities to eradicate these scourges.

During the meeting held recently in Santiago, it was agreed that a committee of Latin American air force commanders of the continent will meet on 23-27 August in Lima, Peru to fine-tune the plan which was described as "extremely secret."

The air force commanders of 23 countries said: "The visionary perception of the importance of the Aeronautics Law [Derecho Aeronautico] in the use of air power against trafficking and terrorism within the framework of mutual cooperation, reflects our great concern over this matter."

During the conference it was decided to call an aerospace symposium at a date and place to be determined, at which primary attention will be given to the training of personnel.

It was reported that special attention was paid to communications among the air forces for which more flexible, expeditious, and secure channels will be sought.

Issues on mutual hemispheric cooperation were discussed during the meeting, including logistic support, meteorology, low-intensity conflicts, air and space medicine, the prevention of accidents, training, search and rescue, computer science, and telecommunications.

Representatives from Argentina, Bolivia, Brazil, Canada, Colombia, Chile, El Salvador, Ecuador, the United States, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Uruguay, Venezuela, Costa Rica, Guyana, Haiti, Jamaica, and Mexico attended the meeting.

Cuba

Castro, Other Leaders Appear at Moncada Barracks Ceremony

PA2707202093

[Editorial Report] Havana Cubavision Television in Spanish at 0030 GMT on 27 July broadcasts a live relay of the ceremony marking the 40th anniversary of the assault on the Moncada and Carlos Manuel de Cespedes Garrisons at the Heredia Theater in Santiago de Cuba. Present at the event are Fidel Castro, in addition to the following persons, who are seen standing with Castro on the dias in the following order: Juan Esteban Lazo, member of the Politburo of the Central Committee of the Communist Party of Cuba, PCC; Juan Almeida Bosque, member of the Politburo of the PCC Central Committee; former Nicaraguan President Daniel Ortega; Foreign Minister Roberto Robaina; and Vilma Espin, member of the Politburo of the PCC Central Committee. Other dignitaries seen in the front row include Pedro Ross Leal, member of the Politburo of the PCC Central Committee; Concepcion Campa, member of the Politburo of the PCC Central Committee; Ricardo Alarcon, member of the Politburo of the PCC Central Committee; Carlos Lage, secretary of Council of Ministers; and Jose Ramon Machado Ventura, vice president of the Council of State. Jorge Shafik Handal, coordinator of the Farabundo Marti National Liberation Front is seated in the row behind Alarcon.

Master of ceremonies Manolo Ortega takes the podium and introduces the visitors who attended the Sao Paulo Forum held in Havana. He announces awards to be presented to individuals and organizations. Awardees walk on stage and shake hands with persons in the front row and are given awards by Fidel Castro, who shakes hands with the individuals and embrances some.

Manolo Ortega then introduces Fidel Castro. Castro rises, takes the podium, and begins to speak. Fidel Castro stands behind the podium during his speech and frequently turns around to address the people on the dais and the entire audience. Fidel uses both hands as he speaks vigorously and frequently moves from side to side. An unidentified man sitting in the second row, next to Jorge Shafik Handal, is seen holding a handerkerchief to his mouth and coughing. Fidel Castro is not seen coughing.

The live relay ends as the audience gives Castro a standing ovation.

Castro, Alarcon, Lage at Sao Paulo Forum

FL2707133493 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Jul 93

[Comments by Cuban President Fidel Castro; Ricardo Alarcon, president of the National Assembly of the People's Government; and Carlos Lage, vice president of the Councils of State and Ministers, to participants at the Fourth Sao Paulo Forum at the Convention Center in Havana on 22 July—recorded]

[Text] This is a news conference [as heard] held last night by Ricardo Alarcon, president of the National Assembly of the People's Government, before participants in the Fourth Sao Paulo Forum, in which Commander in Chief Fidel Castro also participated. The exchange began with a question by one of the participants on the role of the Communist Party of Cuba and of the state in Cuban society.

[Alarcon] I would say—this is something I did not mention in my introduction because I did not want to mention every point—that we have been analyzing and introducing an important modification in another direction and not in the area Narcizo [not further identified] mentions. In the past, in practice, we had a fusion in the provinces and the municipalities between the administrative leadership and the leadership of the local assembly. That was a contradiction that I can see was more real that the one you are pointing out, in addition to the great importance of rectifying it. We have just concluded the process of separating the two mechanisms.

In the past, provincial and municipal assemblies had what we called an Executive Committee, similar to the directorate of the assembly, which at the same time was the executive authority in the territory or the administration. This combined two functions that should be related but separate. A process has already been concluded throughout the country of establishing what we call Administrative Councils, which are the executive, administrative element in the province or the municipality. We have created the conditions so that, on one hand, we can gain in effectiveness in the administrative side and, on the other hand, allow the respective assemblies to fulfill their responsibilities.

In other words, the administration is supposed to report to those assemblies, and the assemblies are to carry out the functions of control, inspection, etc. In previous practice, the Executive Committee, as the only acting mechanism, performed both tasks. I do see a contradiction regarding the relationship between the party and the National Assembly of the Assemblies of the People's Government. I truly do not see this in the same manner. I do not deny that certain of the problems you mention might occur. But in reality, there was that deficiency regarding the administrative sector, which is ultimately where contradictions are generated—and this is normal—between the state people's organ of control and that which it controls, the administration.

In our case, do not forget that this is the opposite of the neoliberal privatizing model. We are speaking of a powerful state, in the sense that it is present in every activity of society; the function of control over those activities, therefore, is very important.

I believe that to the degree to which the organs of the people's government gain in effectiveness and capacity to perform their duties, not only in ability to control but

also in terms of mobilization and organization of the masses, conditions for political work will be created. If I were a provincial party leader, I would see this relation as contradictory. I see it more as an enormous potential for the essential duty of the party: that of guiding, mobilizing, instructing, but with the advantage of a broad mechanism of truly broad participation by the people, such as in the example of the People's Council at the local level. I do not see any contradiction between party responsibilities in a region and the responsibilities conferred by the people in an election.

There is another important fact: Fidel explained that the party does not nominate. The party does not play that role in the process of selecting candidates. We have to acknowledge that there is an elevated number of party and youth organization members among the candidates elected by the people. This is not because the party chose to nominate them or had decided that this one will be the candidate for this region; rather, through the process he explained, the people selected and voted for a comrade who also happens to be a party member or has certain responsibilities. This shows a certain perception of the role of the party and that member.

We see this as something positive. If the people, in their search for the best candidate, select a party leader in that province, that says a lot about the manner and the role the party is playing there. Far from seeing it as something that affects the work of the people's government of the party, I believe, in a critical and autocritical sense—as you mentioned—that this gives us the possibility of developing even more efficient political work without having necessarily to see the limitations or contradictions that existed in connection with the administrative sector as we explained.

[Castro] Actually, the functions are separated, with some exceptions. For example, the president of the municipal people's government is not the first secretary of the party. These two functions are not combined there. The president of the provincial people's government is not the party leader. The administrator of a factory is not, should not be, or could not be the secretary of the party cell. Only at the highest levels of the state does the repetition of functions occur. This was given a lot of thought because in the top echelons of the state, to avoid contradictions, the principle of holding important posts in the party and the state, such as first secretary and president of the Council of State, was accepted. Or there could be instances wheere we have to pick a member of the Politburo to be a minister. Ministers do not come easily here. I cannot explain the ease with which ministers appear in other countries. There is never a shortage of candidates for minister. However, picking a minister here is difficult because you are not doing that person a favor in giving him that post. It is hard work, like that of being a party militant.

As Alarcon said, it is a great honor that a great majority of those selected in this manner by the people and the electoral commissions, are members of the party. But party militants do not have the easiest job here, nor do they have any type of privileges. Cuba sent over 300,000 internationalists to Angola, alone. This is a country where over 500,000 people have fulfilled internationalist missions; a country where, when the call was made to send 2,000 teachers to Nicaragua, 20,000 volunteered; where, when a teacher was murdered, 100,000 volunteered; a country educated in the idea of solidarity and internationalism. They do not mind going to the ends of the earth; I do not know if that exists, but Vietnam, Cambodia, Laos, and many African countries do exist, and they went. You can ask the Sandinists and Daniel [Ortega] how the 2,000 teachers—in the end we sent 2,000—had at times to travel three days by mule to reach the home of a farmer and teach in his house where the farmer, his large family, the horse, the cow, and the teacher lived in the same room. I tell you this to give you an idea of the work conditions they volunteered for.

There is the case of the Peace Corps. We could challenge the United States and tell them: Gather all the members of the Peace Corps that your country, with over 250 million people, can muster. We, alone, can gather more! The people have been educated in that spirit. Who are the first ones to go to all these places? the militants. It is not required of a militant; but a militant who refuses to go on an internationalist mission, who refuses to go as a teacher, soldier, worker, or builder, becomes demoralized. Logically, the militants have prestige because they have not had privileges. They can be elected as militants but not as administrators. In only a few top posts of the state is there a certain coincidence between political and state responsibilities. However, it is not a dogma, nor it is mandatory. This is the way it has historically taken place, but it could be different. It is not a matter of principle. This is what can truly be said about the issue of simultaneous posts. From the beginning we planned to separate administrative and political responsibilities.

On occasion, what Alarcon described happened: Sometimes they combined. We have fought hard to make the work of the party the development of the administrative cadres. Of course, the political leader is a party member. In a province the political leader is a party member, despite the great importance of the president of the people's government. Why? The state and the officials are not good for leading. Perhaps one of the worst aspects of the classical capitalist state is the attempt to have the state lead the people. The people can be led by the party, but not by the state.

[Text] If you let a minister do as he wishes, after a while all his friends have jobs in the ministry—the people he likes, the people he prefers. A minister must be checked. In other words, you have to prohibit ministers' doing whatever they want. I am very glad I am not authorized to appoint ministers or officials. You may not believe me. Most governments spend all their time making appointments. What they present for my signature is a Council of State accord appointing an ambassador. Many times I do not even personally know the ambassadors appointed. There is a whole process in the Foreign

Ministry: records, personal history, education, the opinion of the party cell, and the opinion of many people. I am glad this is so.

Who can be assured I will not start picking friends and acting subjectively in appointing ambassadors, or ministers? This is what other governments do. In the United States, where they talk so much about democracy, Congress has a certain control over some appointments but the U.S. President can unleash nuclear war without having to consult with anyone. This is why I have said that not even the Roman emperors had the power of a U.S. President. History tells us that Nero went mad and burned Rome. I think perhaps all that about Rome burning while he played the harp and enjoyed the fire is a myth. But Nero did not have the power of a U.S. president, who can push a button and launch who knows how many nuclear weapons. Is it democracy to have the right to destroy the world? Is the right to immerse the world in a nuclear war, democracy? What if he goes mad?

Every time I am told there are people around with those nuclear briefcases....[changes thought] I have tried in vain to find out what those nuclear briefcases are for. It is not easy. When we had relations with the Soviets we asked them: What is the deal with those briefcases? How does the code work? I was not asking to be given the key, or anything; but they were very discreet. Now, of course, since the collapse, the KGB files are in the hands of the CIA, and the party files in Washington. Isa [Not further identified], who knows how many papers you had when you were in the Communist Party over there? Your papers must be in Washington. I never found out what those briefcases are for. But I have a conclusion: In a surprise nuclear attack, if the briefcase carrier is in the bathroom, he will not have time to retaliate. [laughter] I ask myself what the briefcase carriers do: Can they go to the bathroom? Can they take a bath? How do they sleep? At times I ask myself more risque questions and I ask whether they get to sleep with the wife and what they do with the briefcase in the throngs of passion. [applause]

It is a crazy world. Terrible things happen, all because of the power of that man. You said it here: The seven are the rulers of the world. Korea was harassed terribly because of rumors it was going to produce a nuclear weapon. Imagine that! Iraq was bombed because they said that in April that certain individuals were planning to kill Bush. I have been trying to find out and have been told that the people were businessmen who did not know anything about it. But I do not get involved. I cannot say yea or nay. I have not investigated the matter. What if I were to launch a missile attack against Washington for every murder attempt against me? Who knows how many attempts there have been and how many things they have planned against me? What kind of world is this? What justice, ethics, equality are there? And they call that democracy.

I truly like our system because we are truly controlled. We are very well controlled. We should be even more controlled. In the future, I believe we will be more controlled, with fewer responsibilities. We still have a lot on our shoulders. I think that the system of shared responsibilities is a good one. We share responsibilities a lot. There are still many comrades who have too many responsibilities. Responsibility here is widely highly distributed. In his field of action, every comrade has ample powers. Here we do not have centralization or hypercentralization. All this also has to do with democracy. Isa, ask anything you want, there are two, three, or four of us here and the night is young. You will be the ones falling asleep here tomorrow. Fine!

[Sergio Rodriguez of the Mexican Revolutionary Workers Party] I found Comrade Alarcon's definition very interesting. It was a criticism of that vision of representative democracy, highlighting its most contradictory element—the delegation of power, there is no organized, direct participation by the people once they have elected a deputy or a president.

The law calls for a vote every three or every six years. The elected president or deputy can do as he likes during that period and allegedly, he would be acting legitimately because of the original vote. In other words, it is a kind of legitimacy by origin.

Of course, in many countries—in this case mine—this representative democracy or defense of the vote means life itself. There was a revolution in Mexico for suffrage, for the right to vote. Today, hundreds of people are dead for having exercised that right, simply for having voted. However, what I would like to know at this point something else that I think is very important: How does the people's government function? I am not speaking only of day-to-day affairs, but of the major areas of macropolitics and macroeconomics. For example, in our first meeting with Companero Lage, he told us of the possibility of decriminalizing the possession of dollars. Who makes that decision? How is the decision made? How do the people participate in that decision? How do the mass organizations participate in making that decision? I would like to know how you view this.

[Lage] I was making a joke. I said to the commander that the people are already participating, because they already have the foreign exchange. The decriminalization measure is going to be adopted, but it is a fait accompli, as I explained the other day.

Since I began to answer, I will continue. I believe that, depending on the magnitude of the decision to be made, there are various forms or levels of decision making. That decision, for example has not yet been made, and we have not even decided at what level it will be made. I believe that decision should be adopted by the government. On that same day, the commander spoke of the idea of drafting proposals to improve internal finances, to reduce the amount of money that is in circulation. On that subject, it was suggested that it would be necessary to convoke the National Assembly to discuss that matter. When a measure is of such importance, whenever a

measure might have implications for all the people, the idea is not to leave it up to a government agency, but rather to have the National Assembly make the decision. In other words, some measures may be adopted by the government, others by a ministry, or some may be discussed by the National Assembly. There may be measures, such as amendments of the Constitution, that will be discussed with the people, as was done with the Constitution itself. In other words, there are various levels. In some cases, decisions are made by the executive and others are taken to the Assembly. This is true at the municipal, provincial, and national levels.

[Castro] Look, some things are done by the Finance Ministry, and no one else knows about them. There are some measures which, by their nature, require great discretion. They have to be adopted with a certain level of confidentiality, and legal institutions exist for that purpose. On the specific matter that you mentioned, the decriminalization involves a law, and therefore must be adopted by the Council of State in the form of a decree-law. That is the agency empowered to authorize the decriminalization of the possession of foreign exchange. This does not refer to the circulation of foreign exchange, although foreign exchange is very hardheaded and circulates by its own volition. These phenomena involve laws, right? The specific institution that should adopt such measures is the Council of State.

As for the other measure that Lage mentioned, we are in favor of having them discussed broadly. The most appropriate organization for the broad discussion of that measure—which, incidentally, many countries adopt in secret—is the National Assembly. We must make the arrangements for it to be discussed in the National Assembly and although there is no secret involved, to arrange for it to be applied without any problems. That is the appropriate organization. It could be done by the Council of State, but that is a much smaller organization. That is why when I mentioned this possible measure to the National Assembly, I said that I favored having it brought before the Assembly for discussion.

Of course, that is not a measure for decision at the municipal level. Nor can it be a provincial matter. It is a matter for the central government leadership and the supreme body of the state, which is the National Assembly. The measure could be taken by the Council of State. If such a measure were to be taken by the Council of Ministers [as heard]—I refer to a measure regarding the reduction of money in circulation—no law would be broken. However, if the decriminalization were done that way, it would be illegal, because there is a law that criminalizes this action. In order to change a law, another law is necessary. Thus, the agency depends on the measure involved.

We prefer that all such measures be discussed and made known to the people. No measure is useful if the people do not understand it. Our greatest effort is to make the people understand the measure. Some measures are unpopular. Nevertheless, we have to adjust them so that the people can understand them before we implement them, because to us, politics are above all [por encima de todo esta la politica]. One cannot commit the political error of doing things that one is unable to persuade the people to accept. At least, that is our style.

How many devaluations and other such things are not decided every day? Who knows this better than the Mexicans? All at once, everyone loses his money. What is devaluation? As a rule, it is a large-scale confiscation of a large part of money that people have saved. That is devaluation. In many countries, a finance minister devalues the currency and reduces it to half its value. If there are 10 billion [currency not given] in circulation and one reduces it to half its value, how much remains? Five billion. Half of the people's money has been confiscated. Those mechanisms are used very often. The IMF advises such things. At least here we decide those things; the IMF does not make those decisions.

[Guzman] I am Hugo Guzman of the Broad Leftist Force of Chile. I would like to ask two very specific questions, after making a comment that I think is important, because we have been asked certain questions by some of our comrades here. They remarked that much has been said about the miracle, the success of democracy in Chile, and I would like to speak briefly about something I think is important: how the electoral system functions in Chile. To begin, I would say that the Constitution that is in effect dates from the era of the military regime. To be deputy or a senator, one has to have completed elementary school. To be a senator, one has to be over 40 years of age. To be a legislator, one cannot have been a social or political leader. At present, a two-party system is currently in effect that has sidelined many candidates to the legislature, primarily those from progressive or leftist forces.

To proceed to our two questions: The first has to do with something that Commander Fidel Castro said in a news conference in February when the election took place. On that occasion, Comrade Fidel said that the electoral results could be considered a political miracle. We looked at how the electoral mechanism operates here in Cuba in the context of the special period, the entire situation of scarcity of material goods that the people are experiencing. A certain question remained regarding the ideological and political work done with the people that could allow for that type of political miracle.

The international press spoke of certain manipulation and control. There was a great deal of talk about how the members of the Committees for the Defense of the Revolution [CDR] would go to the people's houses and apartments to bang on the doors and ask whether people had voted or not, as a means of pressure. Nevertheless, the results are clear. However, the special period is continuing. Economic problems persist. Measures such as the decriminalization of the possession of foreign exchange will obviously have what I would call political repercussions, as will other measures that might be taken.

In this regard, I have a question about how political work can be visualized so as to guarantee that the economic measures and modifications will not result in some adverse effect, some confusion, and even some discontent among the people.

The second question is: In the wake of the February elections, what are you doing about those errors or deficiencies that will have to be faced in the electoral process to renew or confirm the members of the National Assembly, which I understand will take place in five years?

[Alarcon] I will try to answer the first question briefly. Actually, it refers to a very complex problem. I believe the elections showed that the people have a certain level of awareness, as you mentioned in asking the question. Of course, the outside pressure—the blockade, the intensification of the blockade—among other things, is seeking to create difficulties in the political sphere. I believe that perhaps the thing which most distinguishes the Cuban situation and makes it special in the political area is that, normally, any country in the world faced with the objective difficulties that our country faces....[pauses] I cannot think of many governments that have endured situations of crisis like this one with the level of social stability, support, and even tranquillity that is seen in Cuban society.

Of course, there is also a large-scale effort to distort things. I can say that I have seen many reports from foreign newsmen who themselves verified....[pauses] For example, at the site where I voted, a Chilean newsman counted the votes. He was looking for me to interview me. I was not there at the time, so he approached and asked: Can I watch? He was told: You can count, because we are about to open the polls. He told me that I had a large number of votes. He saw how many votes were null, how many were blank, etc. Frankly, having some knowledge of Cubans, I believe that if a Cuban were not very anxious to express his support for the Revolution, and if, in addition, members of the CDR were to come around in the morning to bother him and urge him to go to vote, then when that Cuban had the opportunity to express himself freely and in secret, he would have expressed his feelings. In my opinion, there are very impartial testimonials.

The name of Humberto Celli, president of the Latin American Parliament, comes to mind at this point. He was here and he observed the elections in Havana and Santiago. He said it was truly admirable to see the enthusiasm and the numbers in which the Cuban people went to vote, at a time when the universal trend is not to be very interested or to participate in such things.

As for the second question, in which you mentioned deficiencies, I think we have now had a change that constitutes a new experience, as regards elections at the national and provincial level; at the municipal level, the system that has been in effect since 1976 is still being applied.

I think, of course, that perhaps one of the most complex aspects....[rephrases] The whole process of holding consultations in order to select candidates is already more important. In the case of this latest election, the time....[rephrases] the process....[rephrases] The amount of time there was between the December elections and those of February, forced us to do some very intense work, be very active, let us say. That too perhaps affected the amount of time for campaigning. Our political campaign, which had the characteristics that we explained: that is, all us candidates traveled together, toured places together, etc.

This time the amount of time we had for this was quite limited because we were selected as candidates by the municipal assemblies after they were formed, in late December-early January. Thus, we had quite a short time. I myself do not think things necessarily have to be that way in future elections.

These are some of the things that I myself think can be improved, that we can try to perfect: the process of selecting the candidates, the consultations, the amount of time allotted for that interaction between the candidates and the electorate. I think that in itself is an extremely important part of the process, and not just the actual casting of the ballot. (?At this time) that is what comes to my mind to tell you.

[Castro] He also asked about the political cost. We must say that yes, many things have a political cost, and that cost will be greater or lesser depending on how well we can explain things and win the understanding of the population. That is inevitable.

As regards mistakes, I would say that there have been no fundamental mistake made after the elections, but we have indeed had problems after the elections. Because on 13 March, precisely two days before the National Assembly was formed, the Storm of the Century occurred. That storm did us terrible damage, and caused losses worth $1 billion.

It has been a totally abnormal year, from the climatic point of view. This has been the case for a number of different countries. It did tremendous damage to our sugar harvest and reduced our ability to make money.

Our problems have become worse. The thing is for us to see how we can deal with the problems that have been exacerbated to prevent the situation from becoming still worse. All of this implies a wearing down and has a political cost. This cannot be ignored. Is that what you wanted to know, more or less?

[Unidentified speaker) Well, I propose the following: there is a comrade here who wants to ask a question; let him ask it. [To a member of the audience] You, too, want to ask a question. Go ahead and ask it. And then a third question.

[Castro] Is there no time limit?

[Unidentified speaker, interrupting Castro] Well, I have a [words indistinct] a delegation.

[Castro] Huh?

[Unidentified speaker] A delegation here that is asking, considering the time, that the discussion come to an end.

[Castro] I think that... [rephrases] And didn't anyone ask you for sleeping pills?

[Unidentified speaker] Huh? [laughs] No, no, no.

[Second unidentified speaker] Well then, what we could do is take those three questions, go on to (?Alarcon), and then end the discussion.

[Castro] All right.

[(Justiniano] Thank you, Comrade. I am (Xerexes) Justiniano, of the Socialist Alternative of Bolivia. One of the elements that contributed to the self-destruction of doctrinaire socialism was, beyond a doubt, the excessive bureaucratization into which the administration of socialism in Europe fell. My question is aimed at... [rephrases] What are the mechanisms used or employed by the Cuban Revolution... [rephrases] What mechanisms does Cuba have for preventing such excessive bureaucratization, and if such a danger exists, how could it be avoided?

[Marino] Yes, I am Guillermo Marino of [organization name indistinct] of Argentina. I wanted to touch on the subject of... [rephrases] It is kind of a question and an observation at the same time, about the multiparty system, because this is a topic that is attributed to—and harped on quite a bit—the capitalist system against Cuba.

Synthetically, in the capitalist system, the multiparty system emerges because of a need to participate by the masses who have no way to participate, in the unions, or in a thousand other ways. They have no means of taking part in the decision-making process; and in a certain way, the creation of a party, the existence of several different parties is what, in a limited way, allows them to participate, at least in a limited way.

At the same time, those who have economic power, who own businesses, also use the parties as a way to defend certain interests and have them prevail. That is, there is a system that allows the system of multiple parties serve as an instrument for the functioning, precisely—forgive the repetition—of the said economic, political, and social system.

At the same time, this system has all those limitations we know about. It is nevertheless indeed a response to a certain structure that, for the masses, means nonparticipation, a lack of opportunity to participate. In Cuba, under the socialist system... [rephrases] that is, according to what they—mainly the commander in chief and Comrade Alarcon—have said, the masses participate in several different ways. That is, it is not only the existence of the party that allows the population to participa The masses participate via the unions, the CDR's [Co mittees for the Defense of the Revolution], and ev through the childcare centers and centers for the elder

I mean, I would somewhat like to... [rephrases] T question addresses this: the need for—or rather, t existence of—a single party is not just a need arisi from conditions—I do believe you were talking about t blockade—or even from Cuba's history. Rather, it is a beginning to be... [rephrases] This may or may n change in the future, but it is beginning to be part o need for an economic and social structure focused [rephrases] That is, in the economy, there is no strug among trends or businesses fighting for political pow And at the same time, because the masses have [rephrases] exercise democracy in spheres that already beyond what we see in the capitalist system, and whi already transcend the very life of the party itself, I wou like... [rephrases] let us say, this aspect—which I think important because it is a subject that in the capital countries is... [rephrases] the bourgeoisie campaigns fu ously, as if having a single party is synonymous w being undemocratic. And I think that (?you) are sayi precisely that democracy goes deeper than that.

[Unidentified speaker] Comrade, the question that I a going to ask you, I am going to ask in the form of comment, and because of a personal concern, in t sense that for me to be present in Havana is a complete exceptional thing, and I would not like to let the oppo tunity to let this thing that I want to say to you pass n by: Comrade Fidel Castro and Comrade Alarc described the 24 February elections as constituting plebiscite. It seems to me that this description extremely important and contains an implicit criticis of the political system, because a plebiscitary system not exactly a democratic system.

Obviously, during the 24 February elections, the pop lation voted in favor of the Revolution and against t counterrevolution. Now, the way we see it, the requi ments of a political system... [rephrases] we feel a pol ical system should give the population the possibility express the different trends of thought, the alternativ possible within the Revolution. I would like to use t following example: the example of the decriminalizatio You people are discussing the matter of decriminaliz tion and other monetary matters that really are going be very important! Nevertheless, you are discussi them now—and we are in July. However, according the information you yourselves have provided, t matter was not brought up while candidates were bei selected, despite the fact that the comrade... [rephras during the selection of candidates, prior to the voti process.

Despite the fact that Comrade Carlos [Lage] just made very interesting observation upon being asked abo decriminalization—he said it was a de facto matt something to the effect that the dollars already exist a that the matter is being imposed de facto—despite t

fact that this matter is being imposed de facto, it was not brought up as a problem (?during) the electoral campaign—he did say electoral campaign, or prior process—because, according to your own words, textually, the election constituted a plebiscite.

We ourselves, however, require that an election go beyond just a plebiscite, (?or else) five years from now, people will have to again vote for or against the Revolution. We will always have to have an electoral system that will confine us to a show of hands of 99, 90, or 95 percent within the Revolutionary camp, to deepen the Revolution, different platforms, different hues, different perspectives. [sentence as heard]

The other matter is the following: Of course I totally agree with the observation—and my Argentine comrades are going to understand this well, because of a struggle we are in the process of waging in Argentina—that in our countries all these things, measures such as the decriminalization of [possessing] dollars, the circulation of dollars, the devaluation of the local currency, et cetera are decided upon in secret. And, in the past, the ministers have bought up the dollars before the peso is devaluated.

What does this show? It shows that the representative system, even with the accurate criticisms that Comrade Alarcon made, is incompatible with capitalism. Because international speculators do away with a market before the parliamentarian has even had time to don his tie to step out into the street. Is that clear, or not? That is an example of democracy's total incompatibily with capitalism, which in many ways people try to equate.

So, following the explanation Comrade Alarcon gave regarding the entire process, I ask myself the following question. He explained that the National Assembly [ANPP] met recently, in June; and he explained an entire participatory process having to do with discussions, which were on the people's councils and energy sources, right?

Now, all of a sudden, the ANPP—at the suggestion of Comrade Fidel Castro, who says that it should be the ANPP that decides, because since there is a law that penalizes, there should be another law that depenalizes—has to discuss and solve a problem without having gone through that entire process which, in order to discuss the matter of the people's councils and energy sources, it must and did indeed go through. On what basis—elements, reasoning, competency—does the ANPP carry out this debate? I do not know if I made clear, in comment form, the problems I have pointed out to you?

[Castro] Yes, but the thing is that there are a number of problems that are new. They crop up daily. I can assure you that this problem is new. Long before the electoral process began—long before—some of us were beginning to catch a glimpse of the problem; and when a reference was made to the ANPP in this connection, it was part of the process of preparing the necessary conditions for discussion of the problem. It was telling you we have such and such a problem because we have reached certain conclusions very recently. We had not reached those conclusions back then. We have reached these conclusions as a consequence of the fact that our economic situation has worsened. And therefore, well—of course we had not intended to talk extensively about all these things, (?but) we do have problems, serious problems—and we have to find a way to survive. Note that this is not a matter of perfecting socialism. These are two different things: the things that need to be done in order to perfect socialism, and the things that need to be done to have the Revolution survive.

I think people would have trouble imagining the number of difficulties we are having, and how very adverse the conditions are in a unipolar world that is the property of the United States, for a socialist state 90 miles from the United States to be able to prevail. We cannot forget that for a single minute.

And that is why some of these matters, which of course... [changes thought] all those concerns that you set forth regarding the ideal way of doing things are well-founded, but for us, the essential thing, the vital thing right now, is not even the perfecting of socialism—which is what we were doing before certain things happened, before what you all know occurred—because before the famous perestroika was ever mentioned... [changes thought] If I were to ask you people a few questions about that here, I am sure I would start a terrible row because that gave rise to illusions of all kinds, when we were told socialism was going to be perfected. What they did was not perfect, but rather, destroy socialism. And believe me, we do know what the destruction of socialism has meant. I think you are going to find out too.

I hope you never have to find out. Regardless of what defects socialism might have had, I hope you never have to find out the way we have had to find out. But that is not what I want to talk about. This unipolar world is nonetheless a tremendous gift. I don't think it was bureaucracy alone that destroyed the USSR. I think the midwives had something to do with the destruction of the USSR. Don't you know what midwives are—those who take charge of children as they come into the world.

The USSR was destroyed. What Hitler was unable to do... [changes thought] Would any of you have been happy to see Hitler destroy the USSR? Well, what Hitler was unable to do, others did. They destroyed it. We are witnesses to the destruction of the... [changes thought] There is something worse: I cannot affirm that the USSR was... [rephrases] that everyone who participated in the destruction of the USSR actually meant to destroy the USSR. I am in fact totally convinced that certain people who helped destroy the USSR meant instead to improve and perfect it. I am totally convinced of this. That is my deepest conviction—based on what I know, what I have discussed, what I have talked about with people. However, certain people did mean to destroy it, and destroy it they did.

I am only stating my preference, saying that I would prefer to have an existing USSR with all its defects, and you can be sure that we knew about a great many defects the USSR had. We also knew its worth in many domains and we disagreed a lot. We had both magnificent experiences and bitter experiences with the USSR. Don't forget that we here in this country went through the very famous October Crisis, which was a very serious thing; and our relations with the USSR were on many occasions strained. We know the good things and the bad things. But what it is difficult for us to resign ourselves to is the idea of a unipolar world under the aegis of the United States. Because all of us, from the most extreme tendencies, were all educated to be anti-imperialistic. It is really a true nightmare to be living in a unipolar world under the aegis of the United States, and to have the world's balance of power shattered.

That's why I made a joke, used the word, midwife. Because sometimes people blame the midwives for things. I wonder how many times the midwives have mentioned me, because they are inimical to the Revolution and have said that the fault of all socialist revolutions belongs to the midwife who brought me into the world—I really was brought into the world by a midwife, a fat lady by the name of Isidra. She was very well-known, because there were no doctors out there, back then, so everything... [changes thought] I think the Americans—those Americans who are bad—must have more than once regretted the midwife's not having strangled me when I was born.

This is why we should not be overly simplistic and use a single word: bureaucracy, bureaucracy, and more bureaucracy. I mean, it was that same USSR that defeated fascism. It was that same USSR that paid the price of 20 million lives to see fascism defeated. It was that same USSR that was destroyed three times: twice before, and now this time, which constitutes its third defeat. It was destroyed in World War I and again in World War II. It was that same USSR that moved hundreds of factories from the frontline to the rear. That same USSR saved the world from fascism, regardless of how many mistakes it may have made, defects it may have had. I myself refuse to engage in either hypocrisy or politicking.

There is a book around, written by Tomas Borge, and I... [rephrases] he asked me questions about all these things, and I made some extremely harsh criticisms about things that I did not understand when I was a child. I have never in my life understood the Molotov-Ribbentrop pact. Never in my life have I understood that. Never in my life have I understood Finland's little war, the Finnish War. Never in my life. Never in my life have I been able to understand that bit of madness, the lunacy of allowing oneself to be attacked by 4 million soldiers and tens of thousands of tanks and planes when all the soldiers wanted to do was pass through.

All my life, I have been extremely critical—although that was not my mission—of mistakes committed by Stalin. I have never been a fan of Stalin's, or of (?anyone) like Stalin. And I am also familiar with the big mistakes he made and also a number of things he got right. I think quite a lot is known about Stalin. But in the final analysis, the USSR was the country that produced nuclear weapons and sought... [rephrases] At a time when imperialism already had a monopoly on nuclear weapons, the USSR managed to be the first country to fly into space. That twice-destroyed country achieved nuclear parity.

The USSR used to produce 630 million tons of oil. It used to produce 700 billion cubic meters of natural gas, 150 million tons of cement, more or less the same amount of steel, and over 100 million tons of fertilizers. Who knows this better than we, we who are sorely lacking in steel, cement, fertilizers, fuel, and all those things?

And [thumps] I can say that in 30, or more than 30, years of trading with the USSR, never once did we meet a corrupt minister—in over 30 years. Incredible. Trade exchanges involving tens of millions of pesos took place, yet we never saw anything of that sort. What do you think of that?

We have also seen a number of positive things about the USSR—not just negative things. Who, for example, defended us at the time of the Yankee blockade [thumps] when all of Latin America broke off relations with us and joined the blockade? Who sent us fuel, raw materials, spare parts? Who sent us armaments when we were invaded at the Bay of Pigs at the time of the CIA war when they tried to destroy this country? Are we so ungrateful that we forget these things?

Whatever mistakes, whatever defects... [changes thought] Of course they called us a satellite because they did not know how much of its own light Cuba possessed. [thumps] Now that the Socialist Bloc and the USSR have disappeared, we have been left standing alone... [rephrases] we have been struggling alone for four years and are ready to struggle until the end [thumps]—that is, until either victory or death—and not from any desire for martyrdom, either. We are defending ideas. Although we might be wrong about anything—any method, any procedure—it will never be an inhuman procedure. I state that most categorically—procedures will never be cruel procedures.

We are also the most slandered country in the world—you can ask any citizen that, even those who are against the Revolution. [thumps] They might be against Communism, and against anything you like, but no one will be able to deny that this Revolution has an irreproachable track record, regarding human rights, for example. We are a country harassed, threatened, and slandered, yet we resist and we struggle.

Has there ever, throughout history, been an empire more powerful than that of the United States? Has there? Is there any empire more powerful than that of the United States in the world today? Well, that empire wants to

destroy us, wants to wipe us off the map. But we maintain our struggle, our (?independence) because we are defending ideas, not interests. And we have managed to make the immense majority of our population understand that we are indeed defending ideas, and to want to defend those ideas with us despite the great hardships our population is suffering today. The great hardships, I say, because we cannot speak of shortages, but rather of hardships, which are more than shortages, [thumps] and which we are not hiding.

A friend spoke today of our winning the medals and all that. He was moved when he said it, and was telling the truth. But we have had heavy restrictions, both quantitative and qualitative, on food. Yet in spite of that, the infant mortality rate in our country this year is below 10 [per 1,000 live births]: 9.83. What other country has such a rate under conditions such as these? Because what little we do have, we distribute equitably.

Thus, we have not thrown anyone out into the streets. No one has been abandoned, or any such thing, but the conditions under which we are living are harsh, very harsh. Who gave us this gift? What Hitler was unable to achieve was handed to Yankee imperialism as a gift, with or without bureaucracy. It was handed to imperialism and what good did that do us? What good did they do you? What good did they do for the world? Where did they get the right to drop bombs in every direction at any time of night or day? What about a Security Council that is at the orders of the United States? What remains of our sovereignty? There is talk here about sovereignty. Where is it? What certainty is there of our sovereignty? What right do any of us have to peace?

Deep and very serious topics have been discussed at this meeting. The debates that have taken place today filled us with admiration and appreciation for all of you. However, many things passed through our minds: the work ahead of us, because we leftists are here talking, debating, dreaming, and making plans. What are the rightists doing? Are they going to leave all of us here in peace? Are they not even going to bother us? Are they going to allow us to carry out our dreams? I tell you sincerely: I have some idea of the magnitude of the task ahead of us. A large part of our problems is due to the existence of the unipolar world that we are enduring today. We know there are no scruples.

Yesterday, someone was telling me about a documentary that I think won an Oscar. It had to do with the massacre in Panama during the invasion: the Chorrillo neighborhood destroyed, bodies buried by bulldozer that have not yet been identified. It was said that U.S. television did not air this documentary. In the United States, people see it because they gather in groups and watch a videotape. They say it is impressive and that the world still does not know what happened in Panama.

We saw the same thing in Grenada, and at the time, the unipolar world did not yet exist. What can we expect of the unipolar world? What can we expect of the unipolar world? [repeats] If we did not have such deeply rooted convictions, we would be terrified, demoralized, on our knees before the empire to save our lives. We are not prepared to sacrifice even a single principle for them to save our lives.

This has nothing to do with the things that necessity may oblige us to do so that the Revolution can survive, or the things that we may have to do today and forever to perfect our socialism. We have principles, but we do not have dogma. Principles and dogma are not the same thing. Principles involve ethics, consistent behavior, and dogma means something else. It implies inflexibility, immutability. We are not dogmatic revolutionaries. This means that it is possible to perfect our socialism. What will never be possible is for us to relinquish our ideals, objectives, or principles. Forgive me for talking at such length.

Dominican Republic

Balaguer To Go to Houston 28 Jul for Medical Examination

PA2807040493 Mexico City NOTIMEX in Spanish 0333 GMT 28 Jul 93

[Text] Santo Domingo, 27 Jul (NOTIMEX)—The Dominican Government on 27 July denied rumors of President Joaquin Balaguer's alleged serious illness, even though it did announce that the president will be taken to Houston, Texas on 28 July for a medical examination.

Press Secretary Rafael Vidal Martinez said the president "is in good health."

According to a REUTER dispatch, rumors of President Balaguer's serious illness increased throughout the day after he did not go to the Presidential Palace.

The head of the Admitting Office at Central Methodist Hospital in Houston confirmed that the Dominican president would be admitted to that hospital. Sources in Santo Domingo, however, have not confirmed the report.

Reporters and others seeking information on the president's health gathered at his home on the afternoon of 27 July only to be greeted by silence from the Balaguer family.

Rumors About Balaguer's Health

PA2807032593 Madrid EFE in Spanish 0124 GMT 28 Jul 93

[Text] Santo Domingo, 27 Jul (EFE)—Dominican President Joaquin Balaguer, who will be 87 years old on 1 September, is at home with the flu, family members have reported to EFE.

Meanwhile, unconfirmed rumors have spread in Santo Domingo that the president is in poor health and has been admitted to a hospital. Members of Balaguer's close

family, however, told EFE that "the president is at home, has nothing serious, is slightly indisposed, and basically needs some rest."

Other sources close to the president, however, have told EFE that Balaguer has circulatory problems in his legs that are getting worse. The sources added that President Balaguer will probably have to be taken to a medical center in the United States, possibly in Houston.

Alfredo Mota Ruiz, president of the "Whatever Balaguer Says" political movement that seeks Balaguer's reelection in the 16 May 1994 elections, told EFE that "the head of state has a viral flu and that is why he decided to stay home. Tomorrow he will be at the National Palace as usual."

In this case, as in the past, sources at the National Palace and at Balaguer's home refuse to release information on the president's health.

President Balaguer was scheduled to preside over a 27 July event to launch a book of his poems entitled "Silent Voice" ["Voz Silente"]. The event is being held at the Dominican Republic Library, where President Balaguer will be represented by Rafael Vidal Martinez, minister without portfolio and National Palace press director.

Haiti

Opposition Senator Attacked, Wounded by Gunmen in Capital

PA2807044393 Paris AFP in Spanish 0406 GMT 28 Jul 93

[Text] Port-au-Prince, 27 Jul (AFP)—Senator Thomas Eddy Dupiton, chairman of one of the Haitian Senate's opposition blocs, was shot in the arm by unidentified gunmen traveling in a vehicle on the evening of 27 July. The attack occurred in front of the senator's house in this capital, a television station reported.

The television report included shots of Dupiton speaking while lying on a stretcher, his arm bandaged, at Canape Verde Hospital, where he was taken for an operation.

According to the senator, various people who were with him were also injured in the attack, for which no one has claimed responsibility.

Dupiton, who was surrounded by several senators from his political group, said the attackers escaped in a vehicle after the attack, which occurred in front of his house after he had granted a televised interview with a U.S. reporter.

Dupiton had recently announced he was ready to resign from his post, which is not recognized by senators who support President Jean-Bertrand Aristide, and demanded a new senatorial election within the framework of the parliamentary normalization foreseen in the "New York Pact," which was signed by Haitian political groups and parliamentary blocs on 16 July under UN auspices.

This is the first spectacular act of violence perpetrated against a Haitian parliamentary member since the Governors' Island and New York agreements were signed to settle the Haitian political crisis.

Further on Aristide Choice of Malval as Prime Minister

FL2707203993 Port-au-Prince Radio Metropole in French 1045 GMT 27 Jul 93

[Report by Clarence Renois in Miami—recorded]

[Text] Slowly, but surely, we are moving toward the official designation of Robert Malval as the next Haitian prime minister. President Aristide has already informed several legislators of his decision. This confirms the statements he made during the economic summit in Miami regarding the profile of the Haitian prime minister. Jean-Bertrand Aristide also provided this information to the U.S. State Department which supports the choice of Malval. Washington pointed out that Robert Malval is a long-time partisan of Jean- Bertrand Aristide. Robert Malval, who will become the fifth prime-minister in Haitian history, would be the head of the government for a six-month period.

In Port-au-Prince, people are speculating already about the formation of the new government. Robert Malval, in his interviews to the press, considers himself already the next captain of the government team. His official appointment by President Aristide has not yet been made and remains pending awaiting a solution to the situation in the Senate presidency.

Father Aristide continued his consultations with several familiar sectors in Miami during the weekend. The confirmation of the choice of Malval as prime minister and the process that should lead to his return to Haiti on 30 October were on the agenda.

[Renois] Consultations continued on 24 and 25 July regarding the choice of the new Haitian prime minister. President Jean-Bertrand Aristide met with numerous Haitian legislators for two days in Miami. Senator Serge Joseph, a member of the Alliance for Parliamentary Cohesion, currently in Miami for consultation, would be willing to reinforce the camp of the constitutionalist bloc. This would facilitate the proceedings in the Upper Chamber for the ratification of President Aristide's choice for prime minister. Sen. Serge Joseph claimed that if the negotiations and political dealings are conclusive, at least two legislators of the Alliance could join the [constitutionalist] bloc, without any formal political commitment, but for the purpose of easing the situation.

In that sense, Father Aristide has already informed the Haitian legislators of his choice and convened a national assembly on 29 July. There will be then no more doubt,

if it is Robert Malval that Jean-Bertrand Aristide has entrusted to form the new government. The main task of the government is to prepare for the return of the president ousted on 30 September 1991. This is scheduled for 30 October 1993. The second point of this task is to instill confidence again to all Haitians. However, Robert Malval will only commit himself for a four to five month period in the government. This would end on 15 December 1993.

The transition within the government-in-exile will not occur without provoking some disagreement and dissension. Some close to President Aristide voluntarily withdrew or were virtually set aside. Rene Preval, on the contrary, does not see anything wrong in being replaced by Robert Malval as the head of the government of return. Preval said: I am a man of struggle, I will go where the democratic battle calls me. He appeared for the first time on 24 July by the side of President Aristide, who has been in Miami since 22 July. Before returning to Washington, Jean-Bertrand Aristide made it a point to meet with several representatives of the Haitian community in Florida in order to send his message of reconciliation. Through the press, he wanted to send his call to Haiti, to his partisans and the Army: Prepare 30 October 1993 in nonviolence in order to make this date an extraordinary day like 7 February 1991, his nomination date.

Malval Profiled

FL2707173293 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Jul 93

[Excerpt] The prime minister designated by President Aristide is Robert Malval, 50 years old, owner of Le Natal printing house, a moderate, temperate man well known for having helped with the printing for Jean-Bertrand Aristide's campaign. Malval says he is ready to cooperate for five months at the head of the Government of National Concord for the resolution of the crisis.

A member of the private sector, he has demonstrated his talents as an organizer, his capacity for rallying members of the business sector—no matter whether they are [Alix] Cineas, a businessman and former state minister under Jean-Claude Duvalier and a former member of the 7 February 1986 National Council of Government, or Raymond Roy, president of the Haitian Chamber of Commerce and Industry—around President Aristide. He managed to negotiate a truce between what Antoine Izmery calls those who sponsored the coup, and the victim himself, at the Colonade Hotel in Miami, a feat which international mediator Dante Caputo was never able to accomplish, neither on Governors Island nor in New York, much less today. The opponents embraced and kissed one another as Freemasons, and began singing the national anthem,

Robert Malval, a family man, is accustomed to presiding over meetings. He often does so in Haiti. He is highly experienced in the management of business and men, including members of all social strata in his workforce, ranging from the lower class, through the middle elements, to the intellectual level. He does not care to talk overmuch. Some accuse him of having complexes, of being a racist, of favoring people of color too much. Malval does not deny this because his grandparents are black and still living in Haiti.

There was no unanimity in his family concerning his selection as the country's prime minister. However, his sister, Michaelle Malval, who married (Antony Cawli), was present at the Miami meeting. Robert Malval was born of a mother of Lebanese origin and a Haitian father, named Jacques Malval, who were divorced. Robert Malval studied in Europe and allegedly was a fellow student of former French Prime Minister Laurent Fabius. Malval married Linda Frisch, granddaughter of the Deschamps.

He was the second man chosen by President Aristide; the first having been Rene Preval. But after 22 months of coup d'etat and embargo, it is more than appropriate for Preval to be replaced by Malval. Robert Malval, prime minister-designate, intends to set up an overture government for the purpose of boosting the Haitian economy, establishing a state of law, and creating a climate of social appeasement favorable to democratic transition. [passage omitted]

Rene Thedore on Prime Minister Choice

FL2707214893 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Jul 93

[Excerpts] Rene Theodore, National Reconstruction Movement [MRN] leader, asks President Aristide to clarify the situation. Theodore says he is awaiting a formal reply from President Aristide. Rene Theodore, who was prime minister designated by Aristide within the scope of the 23 February 1992 Washington Agreement, considers that under good manners in politics there must be a goodbye after a welcome. The MRN leader explains that if this does not come, he will not be able to do anything, but that everyone will understand.

The MRN does not stop there. It is a movement with prospects and everything depends on the government program which will be presented by the prime minister of national accord. The MRN is ready to lend its support. Theodore will, however, stand aloof because he was designated prime minister by Father Aristide.

[Begin recording, in progress in Creole] [Theodore] ...with difficulty. For the simple reason that President Aristide already chose Rene Theodore as prime minister, it will be very difficult on a formal plane for Theodore to be minister under a government headed by President Aristide. Theodore can be minister under any other president, but not under President Aristide, who already chose him as prime minister. The MRN can offer ministerial participation through any other—let us say—members or leaders who have the capacities for holding a post of minister. But as far as protocol is concerned, it is impossible.

[Unidentified journalist] Rene Theodore, are you nevertheless confident of the country's future?

[Theodore] Absolutely. Absolutely [repeats]. I am confident of the country's future. I know we have experienced very serious, very difficult events. There is a problem of ability, of competence; there is a moral problem that (?is sapping) this country in a very serious manner. However, these hardships that we have experienced have just informed us of the precise steps we must take so we can join.... [end recording]

Anyway, President Aristide is going to work in close cooperation with all sectors to allow the restoration of democracy. This is wha. he stated to people's organizations during a news conference.... [corrects himself] during a meeting in Miami.

Business Sector 'Cautiously Optimistic' After Summit

FL2707205693 Port-au-Prince Radio Metropole in French 1600 GMT 27 Jul 93

[Text] A cautious optimism prevailed on 26 July in the Haitian business sector, following the meeting on 22 and 23 July in Miami between President Aristide and more than 70 representatives of the Haitian private sector. An employer, who wished to remain anonymous, said: We hope that this time there will be a real political stability which will allow for the rebuilding of the country, ruined by the crisis and the embargo. In addition to political stability, this employer hopes that the international community, contrary to what happened in Nicaragua and Panama, really keeps its promises to economically boost the country, which has been put into bankruptcy by international sanctions.

During this meeting in Miami, President Aristide addressed a message of reconciliation and appeasement. The meeting also gathered several U.S. businessmen and numerous representatives of the World Bank, the IMF, the United Nations Development Program, the EEC, and USAID.

Trinidad and Tobago

Leading Trade Union Opposes Utility Privatization

FL2707162993 Bridgetown CANA in English 1335 GMT 26 Jul 93

[Text] Port of Spain, Trinidad, July 26, CANA—The National Union of Government and Federation Workers (NUGFW), Trinidad and Tobago's largest trade union, on Monday [26 July] said it would "relentlessly" oppose any plan by the government to privatize the Water and Sewerage Authority (WASA).

Selwyn John, the union's president-general, told reporters government had neither denied nor confirmed newspaper reports about the intended privatization of the state-owned utility. Government also has not cleared the air on plans to retrench over 900 WASA workers, following a report on the financially-strapped utility. Robert Guiseppi, the NUGFW's director of labour industrial relations, said government was ignoring the union and had not included it in talks about WASA.

"It is absolutely necessary that we have to force the government to include us in any discussions, and we have to be also included in the decision-making process of this privatization or the attempted privatisation of WASA," he told reporters.

"The union will insist, agitate, demonstrate, and will either go to the limits to ensure that government take us as one of the social partners... to deal with this issue of denationalising WASA, and if this committee is not institutionalised to deal with WASA, we will have to take any means necessary to ensure that these people do not go ahead with their stated plans. The threat is not aimed at the public of Trinidad and Tobago... We will disrupt the perpetrators of the crime...," Guiseppi said.

Newspaper reports recently stated that a British company had made a proposal to buy 49 percent of WASA and that talks were being held between the company and the government. There were also reports about a study on WASA which was recommending the retrenchment of over 900 workers. Government recently scaled down the labour force in the utlity company when it offered the Voluntary Separation Employment Plan (VSEP) to over 1,000 workers.

Ralph Haynes, president of the WASA section in the NUGFW, said government wanted to privatize WASA because it felt the company would not be able to adequately supply water to a new industrial estate proposed for southern Trinidad. Government has said it does not have the capital to inject in WASA to ensure a proper supply of water to the new industrial area. Haynes accused the government of planning to "kill" the union, privatize WASA, and have non-unionised workers at the utility.

Secretariat To Challenge U.S. Ruling on Steel

PA2807041393 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 28 Jul 93

[From the "Muchas Noticias" newscast; live relay by Mexico City XHTV Television Network]

[Text] The Mexican Commerce and Industrial Development Secretariat will challenge the U.S. Commerce Commission's decision against Mexican steel plates. The secretariat issued a communique reporting that the U.S. International Commerce Commission determined that Mexican steel plate exported to the United States is harmful to U.S. steel production and thus ruled that a 20.25-percent compensatory tax will be levied on that product.

The Mexican Commerce and Industrial Development Secretariat asserts that it will challenge this decision at the GATT and at the International Commerce Court in New York. The communique also states that the U.S. Commission's ruling on galvanized steel plates was favorable to Mexico as that product was not determined to have a negative impact on U.S. steel production, thus it will not be penalized.

Testing Continues for Acid Leaks From Norwegian Tanker

PA2207231293 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 21 Jul 93

[Report by Rocio Gonzalez; from the "Muchas Noticias" newscast; live relay by Mexico City XHTV Television Network]

[Text] The Government Secretariat reported on the situation of the Norwegian ship Betula. Mr. Cristan Canales, general director of the Government Secretariat, reported that after talks with authorities from the Communications Secretariat, the Navy, and the port captaincy in Lazaro Cardenas on 1200 on 20 July, authorities were granted access to the Norwegian ship Betula shipwrecked off the Michoacan coast.

[Begin Canales recording] We are currently pumping the fuel out. We are then going to determine if there is sulphuric acid around the ship. We will also decide on any action to be taken if there is in fact some acid inside the ship's tanks. [end recording]

Mr. Cristan Canales responded to the document sent to the Government Secretariat by members of the Greenpeace group in Mexico accusing the Federal Attorney General's Office for Environmental Protection of not providing timely information. The document also requests the release of the three fishermen imprisoned since 6 July and asks that the charges be dropped.

Mr. Canales said the Federal Attorney General's Office for Environmental Protection and the Navy Secretariat have taken water samples to determine if any sulphuric acid has been spilled and how that may affect marine life. No such damage has been detected at this point. The salvage company hired by the ship's insurers has been using hoses to empty the ship of its fuel. Canales also said the Health Secretariat has had no reports of sulphur burns since the Betula was wrecked.

Salvage Specialists Extract More Fuel

PA2307130093 Mexico City NOTIMEX in Spanish 1604 GMT 22 Jul 93

[Text] Lazaro Cardenas, Mexico, 22 Jul (NOTIMEX)—Rescue operation team chief David Perrot has reported that experts in salvage and large-draft vessel towing extracted 27,000 additional liters of fuel from the Norwegian tanker Betula.

He said that 18,000 liters of the suctioned oil liters are a mixture of bunker and diesel called "intermediate 15," and 9,000 liters are just bunker. Those substances were moved to the NKS [expansion unknown] heavy machinery industry.

Perrot noted that although the equipment was installed a week ago, strong waves at Las Calabazas beach prevented the team from extracting the fuel until 22 July.

The Titan Maritime Company expert reiterated that the tanker does not contain sulphuric acid. Nevertheless, the contract with the Protector and Insurance Company continues to be negotiated to supervise the tanks where the acid was stored and to neutralize it.

Costa Rica

Former Finance Minister on Fiscal Deficit

PA2707161293 San Jose LA REPUBLICA in Spanish 19 Jul 93 p6

[Report by Wilmer Murillo; quotation marks as published]

[Text] Although the government was expecting a higher deficit for the first half of the year, "it was just 2.5 billion colones," [former] Finance Minister Rodolfo Mendez Mata has stated.

Within the program agreed on with the IMF, the deficit for the whole year was going to be 10 billion colones, or the equivalent of 1 percent of the gross domestic product [GDP] (the sum of all the goods and services generated by a country in one year). Projections show, however, that this figure "perhaps may not exceed 4 billion colones," Mendez indicated.

A 16 percent spending increase is expected for the second half of the year, but within the limits agreed on with the IMF.

Compared to the six-month period of the previous year, the increase will be higher because spending is always higher as the year progresses when the treasury must hand out large sums of money to pay bonuses, cover wage increases, and pay higher interest rates on the securities it sells for finance purposes.

The official stressed those figures are being obtained in a preelectoral year, a time period in which governments normally loosen constraints and fiscal discipline, within the framework of what is referred to as the "electoral syndrome." Although we are in that period, "we have managed to put our finances in order and have obtained the first results of the toil and sacrifice."

Regarding the foreign debt, he indicated a marked improvement had been registered, allowing the country to move from the group of heavily indebted countries to moderately indebted.

In 1992, the balance of the foreign debt amounted to 52 percent of the production of goods and services, as opposed to a 73 percent in 1989. The real balance of the internal debt in bonds went from 71 billion colones in 1986 to 122 billion colones in 1990. From 1990 to 1992 the debt rose 11.6 billion colones to 134 billion colones, with an accumulated 9.3 percent difference.

The foreign debt was eased by lowering the fiscal deficit and making other reforms. Mendez, however, made a plea to be on alert." The foreign debt keeps growing and if the economic reforms are not expanded through the third economic adjustment program, the time will come when Costa Rica will have no other recourse but to sell its institutions."

The relation between the foreign debt in bonds and the GDP was 15.9 percent in 1991, but it dropped to 15.3 percent in 1992. Spending contributed to 19.4 percent of the GDP in 1989, 19 percent in 1990, and 18 percent in 1992.

Government Strives To Prevent 28 Jul Strike

PA2707154993 San Jose Radio Reloj in Spanish 1730 GMT 26 Jul 93

[Report by William Cespedes from the Presidency in San Jose—live]

[Text] Carlos Monge, Labor and Social Security minister, will meet with the Permanent Workers' Council at 1430 on 26 July in his office, as part of the government's efforts to prevent the 28 July strike announced by various labor groups. The information has been confirmed by Minister Monge after a long meeting with President Rafael Angel Calderon Fournier, with whom he analyzed a series of alternatives and options to improve some conditions, thus providing a solution to some of the labor unions' demands. Nevertheless, Minister Monge Rodriguez said the 5 percent salary adjustment will not change because the respective decree was sent to the official newspaper for its publication.

[Begin recording] [Monge] It was sent and we had [words indistinct] want to continue. I have been working with the intention of negotiating and establishing the groundwork for a negotiation that is beneficial to the country, the government, and the workers. In sum, we will see what happens this afternoon. We cannot predict what will happen because it will depend on their attitude, meaning if they are willing to negotiate.

[Unidentified reporter] Is there any progress, Mr. Monge?

[Monge] We will talk about specific issues with them. They must be specific, too. We have been working on this. We have been working on specific things they have raised.

[Reporter] [Words indistinct] salary increase?

[Monge] The 5 percent salary adjustment [words indistinct]. That is quite clear. It has been granted and the documents have been signed. I sent them to the official newspaper. The correct thing now is to make technical adjustments based on the salary scale. We are now analyzing those possibilities. [end recording]

The labor ministry reasserted what President Rafael Angel Calderon Fournier stated on 25 July in Guanacaste, meaning that a better salary adjustment will be sought for some groups of government and government agency workers, particularly those who are not included in special decrees and other benefits, including labor agreements, because their income is currently lower.

Minister Monge Rodriguez stated his concern about the situation created by the labor unions and he said everything is being done to prevent further damage to the country, meaning the 28 July strike. He said he feels confident the meeting he is scheduled to hold with labor union leaders this afternoon will allow them to find specific solutions to the conflict.

El Salvador

Minister on U.S. Troops Sparking Fear of AIDS

PA2707122393 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 26 Jul 93

[Text] Health Minister Lisandro Vasquez Sosa said the Public Health and Social Services Ministry does not have the means to prevent the spread of AIDS in view of the U.S. troops' impending arrival in the country. Here is what Minister Vasquez said:

[Begin Vasquez recording] The U.S. troops are scheduled to arrive in August, and that has already aroused fears that AIDS will spread like wildfire, which is what happened in Honduras. [end recording]

The health minister said it was almost impossible to prevent the spread of AIDS as those bringing the virus into the country cannot be controlled. Sosa said prevention is in the hands of each Salvadoran.

Mario Valiente, Nationalist Republican Alliance deputy, said considering the grave consequences of AIDS in Honduras due to the presence of U.S. troops, the necessary measures must be taken.

Guatemala

Displaced Persons Council Holds March, Presents Demands

PA2707224293 Guatemala City Teleonce Television in Spanish 1900 GMT 27 Jul 93

[Text] Members of the National Council of Displaced Persons of Guatemala, Condeg, held a public demonstration on 27 July to demand that the government pay more attention to their problems. Indians from several regions of the country participated in the demonstration.

The Condeg march began at Plaza Italia and the participants marched down 6th Avenue to Plaza Mayor. Upon reaching the Presidential Palace, the peasants presented a list of demands to be given to President Ramiro De Leon Carpio.

During the march the demonstrators shouted slogans against forced military recruitment and the Civilian Self-Defense Patrol system and in favor of the Communities of Resistant People, which, the Condeg demonstrators shouted, are constantly harassed by the Army.

Honduras

Callejas Warns Aid Needed To Solve Nicaragua's Problems

PA2607205293 San Pedro Sula TIEMPO in Spanish 26 Jul 93 p 5

[Text] Tegucigalpa—If Nicaragua does not receive international aid to resolve its grave social and economic problems, it will again fall prey to violence, President Rafael Leonardo Callejas warned.

"Nicaragua must receive international cooperation to be able to overcome the deep economic crisis it is currently facing. If the aforesaid problems are not resolved, a human reaction generating social problems will follow," Callejas told a local radio station.

The president said that the violent incidents registered on 14 and 15 July, when recompas (former Sandinist soldiers) and recontras (former contras) took over the Nicaraguan city of Esteli, "have ended," but may reappear in the future if social problems are not resolved.

"This first crisis of violence in Nicaragua has already been resolved. This is an expression of concern, however, because it is a violent outbreak of a military, hostile, and social nature. Therefore, we hope that the Government of Nicaragua will be able to adopt appropriate measures to improve internal relations in that country," the president continued.

"This means that economic integration, which in its initial stage requires peace for the free movement of goods and persons, will be affected insofar as the relationship with Nicaragua is concerned," Callejas added.

"If there is no peace, Central American integration is not possible," the president asserted. He suggested that this should be a topic of discussion at the next presidential summit.

Armed Forces Placed on Alert Due to Violence in Nicaragua

PA2407023193 Tegucigalpa EL HERALDO in Spanish 23 Jul 93 p 3

[Text] On 22 July, General Reinaldo Andino Flores, the second in command of the Honduran Armed Forces, asserted that the Armed Forces will be kept on alert due to the resurgence of violence in Nicaragua. He added that this action was taken because any alteration of peace in a neighboring country has a repercussion in Honduran territory.

The chairman of the Joint Chiefs of Staff regretted the action perpetuated by rearmed former Sandinists (recompas) and former contra members (recontras) at Esteli, in northern Nicaragua. The rearmed group kidnapped Noel Rivas Gasteasoro, the Nicaraguan ambassador to Tegucigalpa.

According to Andino Flores, this situation throws out the efforts made by the presidents of the region for a firm and lasting peace. Andino Flores, however, also expressed his concern for the proximity of Esteli—the place where the Nicaraguan rebel action occurred—to the Honduran border. "Any unfortunate incident occurring in countries that border with our country always leads us to think about the possibility that it could affect us negatively. Thus, we always have to be attentive to developments in those events," he said.

The top-ranking officer also stated that any peace alteration "is regrettable" because there is always the possibility that it has a repercussion in neighboring countries. Due to the situation, Gen. Andino Flores reiterated that the military would be alert to any armed action in Nicaragua.

Salvadoran-Honduran Commission Visits Border Towns

PA2407235893 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Jul 93

[Text] The members of the Honduran and Salvadoran binational commissions met with the residents of Platanres Canton, Nahuaterique, Morazan, to learn of their needs. The fact gathering meeting carried out on 22 July was presided over by Foreign Minister Manuel Pacas Castro and his colleague Mario Carias Zapata of Honduras. They promised to help the inhabitants to solve several problems they face, mainly their nationality.

The officials stated that the Honduran-Salvadoran binational commission currently is conducting a census of the people in the area in order to issue documents and solve the community's most urgent needs. The residents of Platanres, Nahuaterique, also detailed the problems they are facing after the northern Morazan region was affected by the ruling on the border dispute handed down by the International Court of Justice at The Hague.

* High Infant Mortality Ascribed to Pollution

93CA0154A Tegucigalpa LA TRIBUNA (DIA 7 SUPPLEMENT) in Spanish 17 Apr 93 p 8-B

[Text] According to statistics for 1992 compiled by the Ministry of Public Health and Social Aid, 70 percent of infant deaths, nationwide, are caused by acute respiratory illnesses.

Although the analysis is based solely on reports from public hospitals and health centers, it reveals that these institutions treated 188,902 slight cases, 162,985 moderate cases, and 31,063 serious cases, for a total of 382,950 cases of acute respiratory infections.

LA TRIBUNA tried to ascertain the figures for private hospitals, but was unsuccessful, as statistics of this type are not maintained by them.

Nevertheless, based on interviews with different doctors staffing private clinics, it has been estimated that these figures would likely total around 15 percent of those for the public hospitals.

This percentage would add 57,442 cases to the above sum for a total of 440,392 infants treated for respiratory illnesses.

According to the experts consulted, the origin of this serious problem lies in the high level of contamination in the atmosphere and the lack of regulation of industries, as well as with automotive vehicles, deforestation, forest fires, and the massive introduction of aerosols and agrochemicals.

This reflects a lack of scruples among the Honduran people and the inability of the government to regulate these activities, which for the most part are in the hands of powerful groups.

The statistics also reveal that of 811 industries at the national level, 46 percent are located in the department of Cortes, and 39.3 percent in the rest of the country. Of those 811 industries, 443 generate toxic waste, without anything being done to date by private enterprise or the government to halt the excessive number of contaminating industries.

Another contaminating factor is the loss of vegetation, owing to forest fires and deforestation, which have already consumed 2,103,757 hectares of our country's total of 5 million hectares.

The principal causes of this destruction are the lack of control and the unbridled use of this resource for firewood, migratory agriculture, extensive cattle raising, the use of wood for construction, and exports.

The loss of vegetation stems from the lack of regulation and of enforcement of forestry legislation by the government.

The infant mortality problem owing to acute respiratory illnesses is not confined to the large cities. It is also present in the rural areas, where infants die more easily for lack of adequate medical attention.

According to the figures, however, the city of Tegucigalpa has the largest number of cases, with 71,721 registered infant cases treated.

This is because Tegucigalpa is one of the most contaminated cities, in that it has five sawmills, as well as soap factories, chlorine plants, battery manufacturing plants, and coffee processing plants.

Nor is there any control of automotive vehicles circulating within the capital, where the government should commence investigating and preventing the high level of infant illnesses and deaths.

The IHSS [Honduran Social Security Institute] confirmed the Health Ministry's statistics. Its chief of pediatrics reported that, in 1992, 45,000 infants were treated in the Vaporization Therapy Facility.

* Regional Exports Up in First Quarter

93CA0154B San Pedro Sula TIEMPO (MARTES FINANCIERO SUPPLEMENT) in Spanish 15 Jun 93 p 2

[Text] During the first quarter of 1993, Honduran exports to Central America rose 66 percent with respect to the same period in 1992, which in turn had posted a rise of 48 percent.

According to information provided by Ramon Martinez, head of the CENTREX [Export Procedures Center], regional exports from January through March generated $9,714,675.01 in foreign exchange.

Martinez indicated that several factors have contributed to the continuing growth of exports to Central America. One of these factors is the surge of new products under the Free Trade Agreement designed to achieve greater expansion and diversification.

The European market has been receptive to Honduran exports. Exports to that market during the first quarter of this year totaled $40,869,866.20 versus $35,954, 398.56 for the same period in 1992, representing an increase of 14 percent.

"The fact that nontraditional products have found acceptance in Europe is attested to by the figures, which provide an incentive to continue supporting an important sector in the economic development of Honduras, given the amount of hard currency it generates," said Martinez. According to figures provided by this official, the revenue from exports to other countries during the first quarter of 1993 totaled $11,430,834.16, thus yielding $1,187,256.09 more in foreign exchange than during the first quarter of 1992.

Exports in general are on the rise, but especially within the isthmus, with major emphasis on nontraditional products, including agricultural products, said Martinez. Projections with respect to nontraditional products are continuing their upward trend, because the market is expanding, and this points to assured growth of large, small, and medium-sized industries, he said.

* April Consumer Price Index Up Two Percent

93CA0154C San Pedro Sula LA PRENSA (NEGOCIOS SUPPLEMENT) in Spanish 10 May 93 p 6

[Text] April inflation as measured by the IGPC [General Consumer Price Index] spiraled upward by almost two percent, reflecting the decontrol of prices of the principal staples.

According to the Department of Economic Studies of the Central Bank of Honduras [BCH], the April IPC [Consumer Price Index] rose by 1.9 percent, thus exceeding the March rise of 0.8 percent.

The Central Bank indicates that prices in the "Food," "Housing and Household Expenses," "Beverages and Tobacco," "Transportation," and "Education, Cultural, and Leisure Activities" categories, rose by approximately 1.2, 1.8, 10.4, 1.7, and 5.5 percent respectively, and, together, accounted for 94.7 percent of the overall rise of the general index.

The behavior of the above categories as a whole stemmed basically from the increase in the prices of beans. In agreeing with this assessment, the BCH indicates that the prices of this staple increased by 14.6 percent with respect to the preceding month.

The price per pound of corn rose by 5.5 percent, household rent by 4.2 percent, and the prices of beverages by 16.7 percent with respect to the preceding month.

Local taxi fares, for their part, are up 12.3 percent, while the price of admission to movies skyrocketed by a significant 17.7 percent.

In absolute terms, the part contributed to the April rise of the IPC by each of the aforementioned categories was 0.3, 0.1, 0.6, 0.4, 0.03, and 0.3 percent respectively, totaling 1.73 percent, and accounting for 91.1 percent of the overall rise.

The other categories comprising the IPC varied only slightly, according to the Central Bank's Department of Economic Studies, with these variations having "no major effect on inflation."

Comparing April 1993 with April 1992, the incremental inflation was 8.3 percent, or less than for the previous period, when it attained 10.4 percent, the Department of Economic Studies comments.

Meanwhile, the Average General Price Index from January through April of this year posted a rise of 7.3 percent, or less than that for the previous period, which was 13.5 percent.

The average variation over the past 12 months was 6.9 percent, a significantly lower figure than the previous period's 24.8 percent.

Analyzing the IPC by regions and categories, the BCH information bulletin indicates that the western zone continues to have the highest inflation rate—almost 10 percent. The central region, on the other hand, which generally has one of the highest rates, registered only a seven percent rise this time around, or slightly below the 7.3 percent general index.

The northern zone posted exactly the same rate as the Average General Index while the southern and eastern zones had rates of slightly over 8 percent.

As for the National Average of Prices of the principal food products, which is measured between January and April of each year, a 1993-versus-1992 comparison shows that the price of dried red beans, a sizable component of the IPC, rose 30.6 percent, while that of red onions rose 50.7 percent.

Other products whose April 1992 prices had risen significantly as of April 1993 are: powdered whole milk 19.8 percent, fresh white cheese 16.8 percent, eggs 15.1 percent, spaghetti 15.8 percent, butter 12.5 percent, and corn 12.6 percent.

* April Wholesale Price Index Up 2.8 Percent

93CA0154D San Pedro Sula LA PRENSA (NEGOCIOS SUPPLEMENT) in Spanish 10 May 93 p 6

[Text] The General Wholesale Price Index (IPM) rose by 2.8 percent during the first quarter of 1993, up 0.7 of a percentage point with respect to the same period in 1992, as reported by the Economic Studies Department of the Central Bank of Honduras (BCH).

The institution's report ascribes this rise to the 17.5 percent increase in the prices of products of domestic origin, while prices of imported goods rose only approximately 2 percent.

As regards products of domestic origin, the 1993/1992 variation in prices indicates that agricultural and livestock products rose more than all the others, posting an increase of 30.8 percent, while industrial prices rose only 9.2 percent.

Farm products and products in the others category rose 18.7 percent and 75.2 percent respectively. The first of these rises stemmed from the price increases in beans, potatoes, pork, and eggs, amounting to 68.1, 3.7, 2.4, and 8.6 percent respectively. The second was owing to the 7.2 percent increase in the price of oak firewood.

Particularly notable price increases in the category of domestic industrial products were: butter 9.3 percent, cheese 5.6 percent, cement 25.8 percent, cigarettes 2.9 percent, and toothpaste 4.8 percent, according to the BCH.

With reference to imported products included in the IPM, the categories that underwent an upward variation were foodstuffs 8.9 percent and pharmaceuticals 4.5 percent, the first of these owing to the 8.4 percent increase in the price of Corn Flakes, and the second to the increases of 2.7, 5.4, and 6.5 percent in the prices of Benzetacil, Benadryl, and Decadron, respectively.

Notwithstanding the foregoing, according to the BCH's quarterly report, the point-to-point variation of the IPM—that is, the first quarter of 1993 versus the first quarter of 1992—was 12 percent. This compares favorably with the same period a year ago, when the 1992/1991 first quarter variation was 13.5 percent, comparing in turn with the 1991/1990 first quarter variation of 42 percent.

* Fuel Imports Take 35 Percent of Foreign Exchange

93CA0154E Tegucigalpa EL HERALDO in Spanish 12 May 93 p 26

[Text] Norma Rauda, technical adviser to the CAP [Petroleum Administrative Commission], confirmed yesterday that 35 percent of the foreign currency that Honduras generates annually goes for the purchase of fuel, in the amount of more than 800 million lempiras, or a daily outlay of 2.3 million lempiras.

According to Rauda, 250 million gallons of fuel will be consumed this year, at the rate of 713,000 gallons, with a value of $414,000 (2.3 million lempiras), daily.

The country's annual oil bill will come to approximately $155 million, the equivalent of approximately 883.5 million lempiras, for 260 million gallons of oil.

Based on the consumption figures posted for the first quarter of 1993, imports this year are expected to total 155 million gallons of the different types of fuels.

During the first quarter, said Norma Rauda, consumption of super gasoline increased by 18 percent, regular gasoline by 11 percent, and diesel fuel by 20 percent. Kerosene consumption decreased by 24 percent.

During our interview, Norma Rauda said she had no knowledge of a rumored rise in the international price of fuel, inasmuch as she has not received any notice of this from the supply sources of the fuels consumed in Honduras.

* National Corn Crop To Total 15 Million Quintals

93CA0154F Tegucigalpa LA TRIBUNA in Spanish 26 May 93 p 18

[Text] According to statistics compiled by the Agricultural Department of the Ministry of Natural Resources, national producers will plant some 500,000 hectares of staple grains in this year's first production cycle.

Given this area, and provided climatic conditions are not adverse, our national farmers stand to harvest more than 15 million quintals, a quantity sufficient to meet domestic demand and yield a surplus for export, said Ramiro Riera Lunati, head of the Agricultural Department.

Riera Lunati recommended that farmers begin planting as of now in the zones where the rainfall has been steady since the end of April, the soil having now absorbed an adequate level of moisture.

With the heavy rainfalls that have prevailed to date, he said, the time is propitious for the planting of staple grains—especially beans—whose prices have increased owing to the low production levels during last year's second production cycle.

Riera Lunati indicated that the rainfall has been heaviest in the areas located in the southern, eastern, and central zones, and that the rains can now be expected to return to normal throughout the country beginning around the second half of June.

Nicaragua

Daniel Ortega Says Government Generates Social Violence

PA2707122093 Managua Radio Ya in Spanish 1100 GMT 26 Jul 93

[Text] Daniel Ortega, Sandinist National Liberation Front secretary general, has accused President Violeta Chamorro of generating social violence in Nicaragua. He warned that the Sandinists do not support the recontras or recompas.

What happened in Esteli is deplorable. A lot of blood was shed and the problem is the government was the one that generated social violence, Ortega asserted.

I want to emphasize that we do not support protests with weapons, either by the recontras or the recompas, the former Nicaraguan president said.

We endorse the people's struggle for their just demands; we oppose unemployment; and we endorse credits for production. We do not agree the use of force should prevail, he said.

Panama

Endara Affirms U.S. Bases To Leave in 2000

PA2707161193 Panama City Radio KW Continente in Spanish 1200 GMT 27 Jul 93

[Text] Although some legislators are saying the Panama Canal Treaties must be renegotiated to keep the U.S. military bases here since they are important for the Panamanian economy, President Guillermo Endara Galimany has said the troops must depart as agreed upon in the 1977 Treaties. He said that once the soldiers leave, Panama will not stop earning hundreds of millions of dollars because the country will develop the waterway after 2000 as a tourist and ship servicing center, which will attract a large amount of money.

Some legislators, however, have supported holding a referendum so the people of Panama can decide to renegotiate the Treaties or if the U.S. bases are to leave the Panama Canal banks in 2000.

Endara Addresses Future of Panama Canal

PA2407172193 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jul 93

["Friday's Message" by President Guillermo Endara from the Palace of the Herons in Panama City on 23 July—recorded]

[Text] The Panama Canal issue is of special interest to the Panamanian people not only because of its huge socioeconomic potential but because of something more important, the impact that the Panama Canal has had on Panama's consolidation process. Since 1977 we have been facing the historic commitment of drafting and implementing the complex structure that is needed to deal efficiently with this valuable resource. Even though we cannot deny that the Panama Canal is important in world trade, it has a more important domestic goal: to ensure the wellbeing of all.

What was done during the years of dictatorship? Unfortunately, instead of using those years to create the administrative organizations necessary to coordinate the reversion and decide how to best use the reverted areas, they were wasted in mismanagement. All that was sought during those years was for the exclusive benefit of dominant groups in the military regime.

Between 1979 and 1989, 2,670 housing units reverted to Panama. Likewise, 35,655 hectares of land, 206 buildings, and 17 sites reverted to Panama. Contrary to the idea that this should all be used for the good of everyone, those who most benefited were the military and some government and municipal groups. The private citizen, other than the chosen few, did not benefit from the reverted areas.

What have we done since restoring democracy? Early in this period we undertook a massive reorganization of the Canal Area Administrative and Planning Office. The cabinet issued 13 resolutions allocating 2,061 hectares and 41 buildings to develop urgent housing plans in Colon and Panama. At the same time the Juvenile Court was given land to build its branch in Colon Province. Land was also given to contribute to the expansion and development of Civil Aeronautics, Education Television, and the Colon Free Zone. Today, the Agricultural Development Ministry and the Institute of Renewable Natural Resources are located in reverted buildings, thus substantially cutting back on rent.

Of greater importance, because of its ecological implications, is the creation of the Las Cruces Trail National Park. The park is located on 4,000 hectares of forest land that serves as habitat for our prolific flora and fauna.

From a conceptual viewpoint, the approval of two resolutions is highly important: Law 5, signed in February 1993, creating the Interoceanic Region Authority, ARI, as an autonomous state organization responsible for promoting the socioeconomic development of the areas reverting to Panama, and Decree 32, signed in April

1993, creating the Presidential Commission for Panama Canal Affairs, which is responsible for drafting and presenting to the Executive Branch a proposal as to the administrative duties of what will be known as the Panama Canal Authority. The Panama Canal Authority will be responsible for the management of this important waterway. The presidential commission has already drafted the necessary additions to the Constitution for handling this topic, which is of great importance for Panama.

With these two initiatives we were able to bring up to date a patriotic duty that had been inexcusably postponed. All that remains now is for all the political sectors to show that they are real patriots and approve the draft so that it may be included in the Constitution.

I see the canal basin as the largest trade and assembly emporium on the continent. Now that the days when the canal was used exclusively for strategic purposes are over, the future of the canal, its banks, and surrounding facilities, is one of much more importance from the modern and developmental point of view. These areas will play an important part in Panama's role as this American crossroads. I am sure that the today's and tomorrow's leaders will act according to our plan. The plan, properly implemented, will contribute to greatly enhance the Panamanian people's standard of living. See you soon.

Serrano Unharmed by Gunshot Fired at Vehicle

PA2707191893 Panama City TVN Television Network in Spanish 1715 GMT 27 Jul 93

[Text] Unidentified individuals at 2130 on 26 July fired on the vehicle in which former Guatemalan president Jorge Serrano Elias was traveling in the Hato Pintado area. The former president was not harmed by the shot, which only caused damage to the vehicle.

Carlos Bares, chief of the Institutional Protection Service, [SPI] confirmed the incident.

[Begin Bares recording] Yes, I have received information and we are working on the case.

[Unidentified reporter] Were they gun shots or an RPG-7?

[Bares] No. Do you know what an RPG is? That would not be the case. We are investigating. I do not believe there is much to it. It could be a minor incident.

[Reporter] Will you increase Mr. Serrano's protection since the SPI is in charge of his security?

[Bares] No. Everything is being handled properly.

[Reporter] What has the investigation uncovered? Were his attackers Panamanians or Guatemalans?

[Bares] So far we have no information. As I said, it could be a minor incident. Perhaps it is not important. [end recording]

President Endara Stands by Agreement on Walker Nomination

PA2407030093 Panama City LA PRENSA in Spanish 23 Jul 93 p 2

[Article by Manuel Alvarez Cedeno]

[Text] President Guillermo Endara on 22 July assured that his government will not reconsider the agreement it has granted on U.S. diplomat William Walker as ambassador in this capital.

Meanwhile Archbishop of Panama Marcos Gregorio McGrath said that the Panamanian Foreign Ministry could reconsider the agreement granted to U.S. diplomat William Walker because the case is well-known.

The government granted its agreement to Walker who should replace Deane Hinton as the U.S. ambassador; however, the Jesuits are against his designation because the diplomat "hindered" the investigation of the murder of the six Jesuits when he was the U.S. ambassador in El Salvador in 1989.

When interviewed on the Jesuits' position, McGrath said that Foreign Minister Julio Linares "claims that no one has brought the case up at the Foreign Ministry. It is not up to me to bring it up, however, the case is well-known and I believe that the Ministry could take it into consideration."

In light of the Jesuits' protest, Ambassador Hinton suggested that "they concentrate on 'matters of God' and leave diplomatic matters in the hands of Panama and the United States. [no closing quotation marks as published].

To which, McGrath said that in his opinion, "he (Hinton) realized that his expression was not all that accurate, because I am not interested only in matters of God. Although it is not up to us to grant agreement to ambassadors who are appointed; the Jesuits do have the right to express their opinion." The archbishop explained that he knew for a fact that the Jesuits had protested. If "Panama should consider this an obstacle, it is then up to Panama to consider (the matter)."

Even though Panama granted Walker the agreement, the U.S. Congress must ratify him.

Eduardo Valdez, president of the Javier School [private Catholic School run by Jesuits], signed the communique in which the Jesuits protested the agreement granted to Walker, while the People's Human Rights Commission assures that the appointment is "an affront" to the Panamanian people.

Jesuits Reaffirm 'Repudiation'

PA2307230193 Panama City EL PANAMA AMERICA in Spanish 22 Jul 93 p 1a

[Report by Eduardo Soto P.]

[Text] The Panamanian Jesuit community's repudiation of William Walker, recently appointed [as published] U.S. ambassador to Panama, was emphasized on 22 July when a distinguished priest from that congregation called Walker a "symbol of destruction of life," and described his diplomatic tour in El Salvador as "bloody."

William Walker was ambassador in El Salvador in 1989 when high-ranking Army officers—trained in the United States—murdered six Jesuit priests. According to the Panamanian priests, the diplomat kept a "guilty silence" in connection with this event and even hindered the investigation.

In reply to these comments, current U.S. Ambassador Deane Hinton said that Jesuits should dedicate themselves to "Godly affairs" and forget politics.

Fernando Guardia Jaen, in a severe editorial read during the Lighthouse Newscast [Faro Informativo] of church-owned Radio Hogar, replied to Deane Hinton that the United States should learn "that peace cannot be built by force and murder," and that the Jesuits "could not avoid denouncing that we are sent an ambassador who symbolized the destruction of life" in El Salvador. "U.S. participation in El Salvador has been too bloody for Jesuits to remain silent," Guardia Jaen said. He emphasized that "only barbarians still believe that thought is suppressed with bullets."

Guardia Jaen, director of the Catholic radio station, asked that the United States establish "relations that respect life" with other countries. "Never again do we want humans to be handled as pawns who can be eliminated whenever it is convenient to Uncle Sam's interests." "Precisely because we occupy ourselves with Godly matters is why we occupy ourselves with justice (...) and the truth," underscored Reverend Guardia Jaen, in reply to Deane Hinton.

Human Rights Group Critical

PA2407155393 Panama City EL PANAMA AMERICA in Spanish 24 Jul 93 p20B

[Report by Carlos Anel Cordero]

[Text] Roberto Troncoso, chairman of the Panamanian Human Rights Committee (CPDH), on 23 July questioned the Panamanian Government's approval of the appointment of William Walker as new U.S. ambassador to Panama. "I do not understand Endara's views on this matter, defending the U.S. diplomat," he noted.

Troncoso said Walker's appointment "in some way reveals the great power's political intentions toward our country" and may affect relations between the two countries. For the past few days different groups, including the Catholic Church and the Society of Jesus in particular, have openly rejected Walker's acceptance as ambassador to Panama.

Walker served as U.S. ambassador to El Salvador during the civil war years. He reportedly had some "complicity" in and covered up for the Salvadoran Government the 1989 murder of six Jesuit priests. Walker's confirmation by the U.S. Congress is pending. The Panamanian Government has already approved the diplomat.

The CPDH trusts, Troncoso noted, that the U.S. foreign policy team will not confirm the diplomat but instead appoint as ambassador a U.S. citizen "endowed with the nobler virtues of that great nation." The CPDH chairman said the United States and the Panamanian Government and people must carefully weigh Walker's appointment, since the international community is attaching great importance to respect for human rights.

President Guillermo Endara Galimany warned that he will not reconsider approval of the new U.S. ambassador, despite objections by the Society of Jesus, which is accusing the diplomat of "covering up" the murder of six Jesuits in El Salvador.

Endara told the media that Panamanians Jesuits ascribe "guilt by association." He said the fact that Walker served as ambassador when the crime took place "does not mean he is responsible" for what happened.

Wants Reconsideration

PA2307231893 Panama City LA PRENSA in Spanish 22 Jul 93 p 4

[Report by Manuel Alvarez Cedeno]

[Excerpts] The People's Human Rights Commission (Copodehupa) says the appointment of William Walker as U.S. ambassador to Panama is an "affront" to the Panamanian people. The organization has asked President Guillermo Endara to reconsider the consent he granted to Walker's appointment.

The Panamanian Government has given its consent to the appointment of Walker, a former ambassador to El Salvador, although his coming to this country depends on confirmation by the U.S. Congress. [passage omitted]

In a letter sent to Endara, Copodehupa expressed its strong opposition to the consent which, on behalf of the Panamanian Government, "you have granted to Walker's appointment. "We base this position on the fact that while Walker was ambassador in El Salvador, thousands of Salvadorans were made victims of regrettable incidents of persecution, arbitrary arrests, disappearances, tortures, and death and it is reported that Walker knew about these incidents," Copodehupa points out. [passage omitted]

Legislator Criticizes U.S. Interpretation of Treaties

PA2707003593 Panama City LA PRENSA in Spanish 26 Jul 93 p 27A

[Article by Christian Democratic Party Legislator Guillermo A. Cochez: "The 'Ugly American' is Still Here"]

[Text] Did you know that none of the 12,000 U.S. soldiers stationed in our country is required to have car insurance to cover damage to third parties while driving outside U.S. bases? Did you know that if you have a car accident in which a U.S. soldier is involved, there is no way to force him to pay for the damage, because according to Army regulations his salary cannot be retained for that purpose? Did you know that if a soldier involved in an accident is not on duty and is not driving during his regular working hours, no U.S. Government agency will accept any responsibility, although that soldier is in Panama in accordance with the Torrijos-Carter Treaties and therefore is not a regular immigrant?

Did you know that the U.S. Embassy holds to the theory that "Army, Navy, and Air Force" are responsible for their own matters, and because the embassy is part of the State Department, it does not have to get involved? Did you know that even though there is a joint commission that supposedly should take care of problems addressed in the treaties, Panamanian representatives feel there is no mechanism for forcing the United States to settle problems such as small traffic accidents between Panamanians and U.S. soldiers who are stationed in Panama? Worse yet, did you know that when consulted, the Foreign Ministry simply says: Sorry, there is nothing we can do?

I recently had the opportunity to clear up all my doubts. As a Panamanian, I felt deeply hurt by what the U.S. Government continues to do in our country with the complicity of our authorities. That includes both the current and past governments that ruled the country until 1989 and signed the treaties in 1977.

Legislator Raul Ossa was driving his car at 1900 on 24 February when he and was hit by a vehicle driven by an Air Force member who was returning from the carnival festivities in Capira. Legislator Ossa was knocked unconscious and his car was totalled. He was taken to Nicolas Solano Hospital, where he regained consciousness one hour after the collision. He and the people accompanying him could have died. The airman was going to flee but was stopped by a national policeman. As Ossa's lawyer, I exerted some pressure and managed to see that the soldier was present at the subsequent trial at the municipal office in Chorrera. He was found guilty and sentenced to pay for the damage caused by his negligence and possibly his physical state at the time of the accident after spending the whole day at the carnival in Capira.

Following recommendations from officials at the Panama Treaty Affairs Executive Directorate, DEPAT, we filed the respective claim through them providing all the requested evidence. The Air Force lawyer's first allegation was that because the airman was not on duty at the time of the accident, the claim should not be presented through the DEPAT because it was a totally private matter between the soldier and Legislator Ossa. The Air Force lawyer said that was in accordance with the treaties. We disagree, and so does the Foreign Ministry. He added that they could settle the claim outside the DEPAT through a payment they call ex gratia, which is below the sum justly demanded, as if they were doing us a favor.

When we realized that the Air Force lawyer held the absurd belief that the soldier was a common foreigner, which is not the case as he is in Panama without a visa and only because he works for the U.S. Army under the treaties, we decided to file our complaint at the U.S. Embassy. We could not get an appointment with the ambassador. They used the excuse that the embassy does not handle matters for U.S. agencies other than those under the State Department. Does that mean the "Air Force, Navy, Army," and DEA are under a different embassy?

We requested assistance from Deputy Foreign Minister Mulino, who promised to act strongly. His words remained a promise, even though the person affected was an "honorable legislator." During our investigations we realized that the Air Force resolves its cases differently from other military agencies. In other words, 15 years after the implementation of the treaties, depending on which U.S. agency is affected, the gringos continue to interpret the treaties unilaterally and do whatever they please in our country with the passive tolerance of our authorities, who do absolutely nothing to resolve the serious problems resulting from the interpretation of the treaties. Hundreds of Panamanians are affected.

I will soon be handling the case of a 27-year-old Panamanian woman who lost her life in the middle of her youth at the hands of Army personnel who were totally drunk while driving along Via Israel. I have been warned already that since they are members of the "civilian personnel" working on the bases—in other words, they are U.S. citizens but not soldiers—the Army will not accept any responsibility for the damage and the case will be dismissed.

Meanwhile, we still see some local politicians asking for the U.S. bases to remain in Panama. I suggest that instead of using the bases for demagoguery they should start fighting so the military personnel who are here today respect our laws and take responsibility for the damage and losses they cause Panamanians, as they must do at U.S. bases in Greece, Germany, and Spain, where they are not even allowed to leave base in military uniform.

I also suggest that they think of all those Panamanians who, without the rank of legislator or a lawyer's advice, have pending claims with U.S. soldiers that will never be honored. I imagine that if we managed to put together all the claimants and the relatives of the victims of those accidents, they would all shout: Gringo go home!

Commerce Chamber Asks Government To Establish Tariff Policy

PA2607193193 Panama City EL PANAMA AMERICA in Spanish 26 Jul 93 p 5B

[Communique issued by the Chamber of Commerce, Industries, and Agriculture Board of Directors in Panama City on 22 July]

[Text] In order to protect and defend the legitimate rights and interests of our members and the free exercise of private enterprise, the Panamanian Chamber of Commerce, Industries and Agriculture, after holding several meetings with representatives of the Ministry of Finance and Treasury and the General Customs Directorate without positive results, states the following:

1. We demand that the government establish a responsible, coherent, and consistent "tariff policy," in which the rules of the game are clearly defined for all importers, businessmen, industrialists, and farmers so as to achieve an effective tariff reduction.

2. We voice our deep concern over the violation of clear-cut constitutional and legal provisions by some public officials when assessing the value of imported goods.

3. We express our opposition to tax increases, which would result in higher prices and costs for the country. The method that is currently being used unjustifiably increases the final prices increasing the import tax on merchandise and, as a result, bolstering the prices of products that are imported into the country.

4. We state that the reference prices have been an instrument used by some officials to suggest that the importers are evading tax payments. Consequently, we request the immediate elimination of the price list that is being used widely and unilaterally by the General Customs Directorate until legal mechanisms to implement the fair and correct assessment method for our reality are found.

5. We express that public officials must serve taxpayers and their task is to fulfill the law and existing decrees.

6. We will continue to struggle so that our country can achieve an authentic social and economic recovery.

7. We request that the government immediately create a high-level commission, formed by the ministers of planning and economic policy, finance and treasury, and commerce and industries, and the Comptroller General's Office representative, to define the required guidelines to establish a tariff policy.

[Issued] Panama, 22 July 1993

[Signed] Chamber of Commerce, Industries, and Agriculture Board of Directors, Ricardo J. Duran, president.

Merchants, Industrialists Oppose Tariff Reduction Policy

PA2607185893 Panama City EL PANAMA AMERICA in Spanish 26 Jul 93 p 2A

[Report by Carlos Anel Cordero]

[Text] Despite the opposition of merchants and industrialists, the government will implement the tariff reduction policy established in the Economic Modernization Plan, according to Commerce and Industry Minister Roberto Alfaro.

The government has informed these groups that this policy is beneficial for merchants and industrialists. Proof of this is that at present, "there can be no doubt" that they are earning much more money than they earned prior to the changes.

The changes that have been made, which fall within the framework of the Government Economic Plan, are not new—they were announced a very long time ago. They are part of an economic globalization policy that is in effect worldwide, of which the merchants and industrialists are aware.

While the industrialists several weeks ago filed a lawsuit of unconstitutionality against the cabinet decree that ordered tariff reductions on over 150 products, businessmen last week demanded the establishment of a responsible, coherent, and stable tariff policy.

The sectors that have complained about the changes the government are implementing are also demanding the creation of a high level commission formed by government officials and representatives from the affected sectors who would establish guidelines and rules for the implementation of the changes.

Poll Indicates Panamanians Favor Constituent Assembly

PA2607005993 Panama City LA PRENSA in Spanish 25 Jul 93 p 1

[By Hermes Sucre Serrano]

[Excerpts] A considerable percentage of people polled are in favor of electing a constituent assembly during the presidential elections of 1994. They are also in favor of the Office of the Comptroller General supervising the Electoral Tribunal, a poll prepared by the firm Dichter and Neira for LA PRENSA has revealed.

According to the results, 57.1 percent of the 1,194 persons who were polled are in favor of electing a constituent assembly that should draft a new constitution before the new president is sworn in. The poll shows that 28.1 percent of the people are opposed to a constituent assembly, 14.4 percent did not offer their opinion, and 0.4 percent did not answer.

The elections are less than a year away and the constituent assembly issue has gained much importance and has given rise to heated debates. Many politicians support this initiative. The majority of them believe that the current Constitution should be reformed thoroughly. During a referendum held in November 1992, an attempt to change the Constitution failed. [passage omitted]

The study also indicates that 68 percent of the polled persons agree with the Comptroller General's Office supervising the Electoral Tribunal. According to the poll, 30.8 percent believe that the Tribunal should not be supervised and 0.4 percent did not answer.

The poll revealed that 62 percent of the people trust in the Electoral Tribunal while 37 percent do not.

The poll conducted by Dichter and Neira represents the first sounding of the people held by LA PRENSA regarding the 1994 presidential elections.

The inquiry was carried out from 9 to 15 July. It also covered areas such as the electoral process, past behavior, the country's situation, elections awareness, the candidates, the government, political parties, and the Electoral Tribunal. [passage omitted]

Immigration Director on Incident Involving PRC Citizens

PA2407210193 Panama City LA PRENSA in Spanish 24 Jul 93 p 5A

[Article by Orlando Mendieta C.]

[Text] Antonio Dominguez, director of the Immigration Department, has said he was offered $1 million in exchange for getting Panama, or a Central American country, to accept the hundreds of PRC citizens who were traveling on board two foreign ships and whose final destination was the United States.

Dominguez made this statement after the local media reported on the possibility that the ships, in which the PRC citizens were traveling and which were headed for the United States, would be coming into Panamanian waters.

Dominguez said that a person—whom he did not identify but who is a Panamanian and his informer—told him that he would received $1 million to use his international contacts to agree to allow the PRC citizens to disembark in any Central American country or in Panama.

The Immigration Department director said that he told the person who approached him that he would do the job and began to gather information that, once complete, was passed on to the U.S. authorities that intercepted the ships near Mexico.

Dominguez says that there were 200 PRC citizens on board the two ships, and that they were all trying to reach the United States and claim refugee status.

The Immigration Department director added that at this moment, there are 15 other vessels, in addition to the aforementioned vessels, waiting on the high seas for authorization to sail into any Central American port that will receive them. The PRC citizens would then disembark and head for the United States by land.

Political Parties Agree To Create Oversight Organization

PA2307220793 Panama City EL PANAMA AMERICA in Spanish 20 Jul 93 p 1A

[By Eduardo Soto P.]

[Text] On 19 July, all registered political parties, except Popular Alliance [AP] and the Agrarian Labor Movement [Mola], signed the document that creates the Permanent Consultative Organization [Organismo Consultivo Permanente, OCP]. The OCP will oversee the conduct of political parties during the 1994 campaign and elections. The OCP will impose moral sanctions on the parties that violate the Santa Maria La Antigua commitment by publicly denouncing the violations. On 18 May all the political parties signed this commitment, which establishes rules of ethics and behavior in light of the coming elections.

Public Works Minister Alfredo Arias, who is also vice president of the Arnulfist Party, contradicted fellow party member Antonio Dominguez by denying that his party will be the only one to lose with the implementation of the electoral agreement and the creation of the OCP. Arias stated that "the entire country stands to gain from a more decent political campaign."

Stanley Muschett, dean of the Santa Maria University and president of the Justice and Peace Commission that sponsored the OCP, said that this organization is necessary to impart new moral values to the political parties. Muschett stated that Panamanians have to get rid of the easy money mentality, the arbitrary use of power, and half-hearted loyalty to a political party, and replace them with interest for the common good. Muschett expressed concern because not all parties have signed the document creating the OCP—specifically the AP and Mola—even though they attended all the meetings held during the two months of drafting the agreement.

Government Reports State Payroll Reduced by 7,000 Positions

PA2507034293 Panama City LA PRENSA in Spanish 24 Jul 93 p 5A

[Article by Orlando Mendieta C.]

[Text] From 1990 till now, the government has managed to eliminate 7,000 positions from the state payroll, but

the salary payments have increased by nearly $4 million, a report by the Data Automation Directorate of the Comptroller General's Office has revealed.

According to the document, while there were 145,000 public officials in 1989, now there are only 137,000 public workers. Nonetheless, the payroll, which at that time totalled $65.1856 million, has increased in 1993 to $69.0005 million. This, the document says, reflects that although there are fewer public officials, they are better remunerated in their positions by the government.

The report states that among the institutions that have reduced their personnel but have increased wages are the Social Security Fund and the IRHE [Institute of Hydraulic Resources and Electrification]. Meanwhile, the Legislative Assembly, the Judicial Branch, and the Attorney General's Office, among others, have doubled the number of officials as well as the salary payments.

Regarding the total wages paid monthly by central government institutions, the report indicates that those with greater labor payments are the Ministry of Education with $13 million, the Health Ministry $5 million, the Public Force $4 million, the MOP [Public Works Ministry] $1.5 million, and the Government and Justice Ministry $1.3 million.

Meanwhile, the autonomous entities that denote greater monthly salary payments are the Social Security Fund with $9 million, the University of Panama $3 million, the IRHE $3.5 million, the Intel [National Telecommunications Institute] $2.5 million, and the National Port Authority [APN] $1.5 million.

In the meantime, the report says that the institutions with higher wages are the Ministry of Foreign Relations, the Judicial Branch, the Ministry of Planning and Economic Policy, the Ministry of Health, the Attorney General's Office, and the Comptroller General's Office.

With regard to the autonomous entities, the ones with higher wage levels are the IRHE, the APN, the Intel, the Social Security Fund, and the National Bank of Panama.

Finally, the report remarks that the institutions with higher levels of allocation of funds to business expenses are the Legislative Assembly with $230,000, the Foreign Relations Ministry with $220,000, the Judicial Branch with $73,000, and the Planning and Economic Policy Ministry with $35,000.

Meanwhile, the autonomous entities that have made more payments for business expenses are the Social Security Fund with $20,000, the University of Panama with $15,000, Panama Municipality with $15,000, and the National Lottery with $13,000. [sentence as published]

Housing Minister on Plans for Reverted Areas

PA2407042193 Panama City Circuito RPC Television in Spanish 2300 GMT 22 Jul 93

[Text] Housing Minister Guillermo Quijano has announced the government will concentrate all government offices in one civic center in the reverted areas, probably in the Albrook area. Ministries, autonomous and semiautonomous entities, including the Presidency of the Republic and the Legislative Assembly will probably be located in this center, Quijano added. If this project is carried out, the Government could save approximately $8 million per year in rent payments.

[Begin Quijano recording] The benefits of this project not only help the National Treasury because we save rent money, but also—and this is very important—the citizens in general, that is, those who make direct use of public services.

Locating all public offices in one civic center would be the beginning of a process of modernizing Panama City, and gradually solving the traffic problems. This government center would have extraordinary social, recreational, and cultural facilities, as well as green areas, which would make our living in this city more humane. [end recording]

The cost of creating this civic center amounts to some $70 million, and for the time being the necessary consultations are being conducted with the purpose of defining the feasibility of this project.

During the news conference, Minister Quijano referred to the formulas implemented by the National Government for the purpose of decreasing the high housing deficit that was over 100,000 units by 1989. Today, this figure has been reduced by 20 percent. Quijano added that the Office of the Comptroller General and the Planning Ministry recently approved transferring over $2 million from the Investment Budget of the Housing Ministry, which will allow the immediate start of construction projects in Santa Maria, Ocu, Anton, David, and Pedasi. Likewise, three new buildings will be constructed in Panama City to solve in part the difficult housing shortage.

University of Panama Opens Canal Studies Institute

PA2407190193 Panama City EL PANAMA AMERICA in Spanish 24 Jul 93 p3a

[Excerpt] The Panama Canal and International Studies Institute [Instituto del Canal de Panama y Estudios Internacionales] at the University of Panama, created on 18 March 1992 through Academic Council Resolution 14-92, was inaugurated recently. The institute includes research departments in the fields of history, law, international law, environment, applied technology, geographical studies, social sciences, economy, and Canal digital data processing support. [passage omitted]

Argentina

Romania's President Iliescu Arrives for 48-Hour Visit

PY2707143093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1236 GMT 27 Jul 93

[Text] Buenos Aires, 27 Jul (NA)—Romanian President Ion Iliescu arrived this morning in Argentina for a 48-hour official visit.

Iliescu was met at 0840 [1140 GMT] in the military section of Metropolitan Airport by President Carlos Menem, Foreign Minister Guido Di Tella, and Buenos Aires Mayor Saul Bouer.

The Romanian chief of state is scheduled to visit the nuclear plant at Embalse, Cordoba Province, and in Buenos Aires he will meet with the presidents of the two chambers of Congress and the Supreme Court.

Menem will meet with Iliescu at 1200 at the Olivos residence, where they will hold their first meeting and then have lunch.

During the course of the afternoon, the Romanian president will pay a courtesy visit to the presidents of the two chambers of Congress, and at 1700 he will meet the Supreme Court members.

Iliescu will give a news conference at 1830, and at 2000 he will meet with the Romanian community in that country's embassy in Buenos Aires.

He will conclude his activities tonight with participation in a television program.

Iliescu, Menem Agree To Enhance Cooperation

AU2807101593 Bucharest ROMPRES in English 0853 GMT 28 Jul 93

[Text] Buenos Aires ROMPRES, 28/7/1993—A Buenos Aires dispatch sent by a ROMPRES diplomatic correspondent reads: Romania's President Ion Iliescu arrived as already announced on 27 July in Argentina which opens a political and diplomatic tour in countries on the Latin American continent.

The president of Romania is accompanied by Teodor Melescanu, minister of state and minister of foreign affairs, Mihai Golu, minister of culture, Traian Chebeleu, presidential adviser, by state secretaries, other officials in the ministries of industry, trade, the chamber of commerce and industries, by businessmen, men of letter, and Romanian experts in various fields.

President Ion Iliescu was welcomed in Buenos Aires by President Carlos Saul Menem and several rounds of cannon were fired in his honor. President Iliescu reviewed the military guard, while both states' anthems were played. The mayor of the Argentine capital made a welcoming address and handed over to Romania's president the key of Buenos Aires. Arriving at the San Martin palace, Ion Iliescu was welcomed by members of the Romanian diplomatic corps in Buenos Aires.

During the same day, after attending a wreath-laying ceremony at the Argentine national hero monument, President Ion Iliescu has started official talks with President Carlos Menem at his Los Olivos residency.

President Ion Iliescu was also the guest of the Argentine Parliament, of the supreme court of justice, while in the evening he made a brief address in the Argentine Council for Foreign Relations in the Versailles Hall of the Alvear Palace Hotel. Ambassador Carlos Manuel Muniz, president of the Argentine council, handed over to President Ion Iliescu the diploma of honorary member of the council. Also in the evening of 27 July President Ion Iliescu met with a group of Argentine citizens of Romanian descent at the Romanian embassy headquarters in Buenos Aires.

Romania's President Ion Iliescu and the President of Argentina, Carlos Saul Menem, had an extensive exchange of information on the situation of both states, as well as on events of mutual interest in the international life.

Both political leaders have taken the opportunity to mutually inform on political and economic issues in their countries.

Presidents Iliescu and Menem showed satisfaction over the possibility to approach future relations between Romania and Argentina, both stating that there are real possibilities for cooperation. Granting special importance to the welcome and useful political contacts, both heads of state shared the opinion that the political signal had to materialize in activities and initiatives that would translate into fact on an economic, commercial, and cultural plane and in other fields of interest. Of considerable importance in this regard is the presence in Argentina of numerous representatives of the Romanian industry—general directors of renowned companies and directors of ministries and central institutions promoting international contacts and business. Also accompanying Romania's president are men of art and letters, other representatives of Romanian institutions of joint Romanian-Argentine interest.

Interest was shown on both sides of establishing a naval transport link between the Danube mouth and the Rio de la Plata estuary.

Another field of joint interest for collaboration and partnership is the airplane building industry.

Special concern was shown for issues related to underdevelopment, environment, and human rights among global issues debated during the talks, both countries expressing their interest for collaboration. Special attention was granted to the role of regional and subregional alliances for the extinction of hotbeds of tension and finding solutions to issues affecting any country's progress.

Opposition Leader Opposes 'Associate' Status for Falklands

PY2707224693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1528 GMT 27 Jul 93

[Text] Buenos Aires, 27 Jul (NA)—Raul Alconada Sempe, former Radical Party [Civic Radical Union] vice foreign minister, has said that the government proposal to grant the Malvinas Islands associate free state status "was not the most adequate" alternative as far as national interests were concerned.

Constitutional expert Jorge Vanossi argued similarly that "juridical scenarios more favorable" to Argentina could be brought up if the future of the archipelago were eventually to be discussed at a negotiation table.

Foreign Minister Guido Di Tella used the phrase free associate state in reviewing the different special status mechanisms that could be applied to contemplate Kelpers' interests and break the deadlock with Great Britain on the issue of Malvinas sovereignty.

Alconada Sempe, former President Raul Alfonsin's close assistant in foreign policy matters, favored the possibility of incorporating the Malvinas as an Argentine province keeping its own lifestyle.

"There is nothing within the federal system against recognizing things like language, legislation, and other aspects regarding a particular lifestyle. Each province keeps for itself the right to establish its own style, within the framework of respect for the dignity of men and the republican system of government," Alconada Sempe said.

Deputy Vanossi recalled that in 1990 he presented a study to the Chamber of Deputies Foreign Relations Committee contemplating six different status possibilities for reincorporating the Malvinas Islands into Argentine jurisdiction.

The six alternatives presented by Vanossi were: 1) free associate state or confederate state; 2) leasing or joint administration; 3) rotating government system; 4) minorities regime; 5) territorial status; and 6) provincial status with agreement for incorporation.

Vanossi did not recommend using the alternative of free associate or confederate state because the Kelpers "would have the right to secession, which would not guarantee the definitive reincorporation of the islands into Argentine territory."

"After many years other alternatives are being evaluated, both to prevent the stagnation of the conflict involving Argentina and Great Britain, and to make progress in the negotiations by showing that the British assessment that there are no other alternatives is not true," Vanossi said.

Argentine Stance on Expanding Security Council Viewed

PY2707160893 Buenos Aires CLARIN in Spanish 19 Jul 93 p 10

[Article by Maria Luisa [illegible]cKay]

[Text] A few days ago in New York, Argentina delivered to the United Nations its opinion on a "possible revision of the Security Council's composition." The discussion on increasing the number of members of this strategic UN organization was discussed during last year's General Assembly but the rebellion on the farm—dominated by the five permanent council members—will only begin to be felt with force during the new session that begins in September.

Today only 10 countries rotate every two years to join the decisions of the five major powers: The United States, France, Great Britain, Russia, and China. These five countries are the permanent members, the only ones with the right to veto resolutions, and therefore the ones who define all hot international security issues.

Contrasting with other audacious foreign policy measures, Argentina's answer on the matter was cautious when compared with the proposals of other countries of the region such as Brazil or Mexico on the same issue. Just when our country is about to join the group of rotating Security Council members for the sixth time, our country proposes the idea of increasing the number of nonpermanent members. The fact of the matter is that a Security Council seat is considered an enticing plum by foreign services everywhere. The new "world disorder," as it is ironically referred to by some, is seeking an alchemy that may put some order into it and the cauldron to concoct such a magic formula is the United Nations in New York, the hub of which is obviously the Security Council.

The Security Council currently settles questions that were unthinkable during the cold war era, when Eastern and Western blocs used their veto power to mutually block any initiative. What is at stake now, however, is the extent to which the sacrosanct principle of nonintervention continues to hold sway.

The United Nations already comprises 183 member countries and, as the Brazilian proposal contends—quite rightly so, the Security Council had 11 members in 1945 (the year it was established). This represented more than 20 percent of all UN members. At present, not even 9 percent of UN member countries are represented in the Security Council.

The Argentine proposal, which was available to CLARIN, specifically includes the following points:

- To only increase the number of nonpermanent Security Council members "up to a number that guarantees a fair representation of all member states" but which "should not jeopardize the Security Council's efficiency and ability to act promptly."

- To support, if it is favorably considered during the debate, the inclusion of a new category of members. One of the categories that has been suggested so far, for example, is that of permanent members with no veto power.
- To promote greater fluidity in the distribution of information about Security Council decisions to the General Assembly.
- To allow countries involved in a controversy to "participate in informal consultations held by Security Council members, especially when one of the parties is at the same time a Security Council member."

To gear up for the subdued diplomatic battle that is going to supervene, each country has chosen those criteria it deems more advisable. Argentina, for example, supports its aspirations with growing participation in UN peacekeeping operations, and underscores the fact that Article 23 of the UN Charter provides that nonpermanent members will be elected by the General Assembly and that in this election "due regard is to be paid—first and foremost—to UN members' contribution to the maintenance of international peace and security."

Let us point out that the Argentine contingent in UN peacekeeping forces comprises 1,074 soldiers. This makes Argentina the second most important contributor in Latin America after Uruguay with two battalions that are about to leave Cambodia.

Emilio Cardenas, Argentine ambassador to the United Nations, told CLARIN that "having the largest—or one of the largest—contingents [in UN forces], Argentina may thus aspire to have a seat on the Security Council, which is the body that deals with issues pertaining to international peace and security."

Mexico does not share this view as it argues that this article must be interpreted in a "broad sense" and "other categories and ways of participating" in the Security Council must be studied. It also opposes the right of veto as it considers it "a nondemocratic mechanism."

Moreover, many point out that a third European country (Germany) should not be added to the Security Council unless a Latin American or African country is given the opportunity to become a permanent member. In sum, they seek a more equitable geographical distribution.

Hence, Brazil proposes adding five new permanent members to the Security Council and a comparable number of nonpermanent ones. The new permanent members would be chosen in the following way: two from "two other industrial powers" (Germany and Japan) and three from "a large country from the main regions of the developing world." Nigeria in Africa, India in Asia, and Brazil itself in Latin America are three likely candidates that meet those requirements.

The major world powers, for their part, are not totally of one mind about this issue except for anticipating that they will be deluged by applications for UN membership. Washington, for example, only acquiesces to the inclusion of Japan and Germany in the Security Council.

"If it's not broken, don't fix it," [preceding sentence published in English] said Douglas Hurd, secretary of state for foreign and commonwealth affairs, when learning about the U.S. stance. France, for its part, does not want to hear about the subject. Both the United Kingdom and France are well aware that they stand to lose on this issue if it is brought up for discussion. In a diplomatic way, they said one "should not be too hasty" in deciding on expanding the Security Council.

Finance Ministry Discloses Details of 1994 Budget

PY2707234993 Buenos Aires LA PRENSA in Spanish 15 Jul 93 pp 1, 10

[Text] The Finance Ministry has announced the main guidelines of the 1994 fiscal year, for which the budget is estimated at almost 40 billion pesos, similar to this year's budget. The GDP [gross domestic product] is expected to grow by 6.5 percent.

The Finance Secretariat submitted to Economy Minister Domingo Cavallo details of the 1994 National Budget, which provides for an annual inflation rate of 5.9 percent, considerably lower than the 6.5 percent estimated for this year's budget.

One of the main factors of this budget is an estimated GDP growth of 6.5 percent. The GDP is estimated at 290,421 million pesos.

The budget provides for a steady negative balance of trade, with a deficit of $1.815 billion. This is calculated through exports worth 14.437 billion pesos and imports worth 16.252 billion pesos, obviously based on an exchange rate of one peso to the dollar.

The 1994 budget was submitted by Finance Secretary Ricardo Gutierrez, who said ministries have until 6 August to submit their budgets which should follow the lines established by the Economy Ministry. They may introduce different figures if justified.

The Finance Secretariat designed this budget, incorporating a policy that will simplify the taxation structure by eliminating or reducing the negative impact of taxes that distort or are inefficient, and by resolutely fighting tax evasion.

To this end, the government wants agreement on the taxes that will be shared by both the nation and the provinces, based on the same criteria for sharing out the revenues that were agreed in August 1992. The report was released yesterday. It mentions a possible extension of the agreement signed last year.

The budget also provides for elimination of taxes on luxury items and sports boat, and of taxes on the assets owned by enterprises engaged in farming and industrial

activities. The budget also provides for a 15-percent subsidy on the sale of capital goods and for modification to the VAT [Value-Added Tax] payment system.

Public Spending

The budget clearly states that there will be no salary increases, and that estimated personnel spending is based on the staffing of units that were operating on 30 April, plus a minimum allowance for vacancies.

Gutierrez said, however, that salary increases might be agreed through a restructuring of personnel qualifications, within the changes provided for in the career structure of the National Administrative Profession System (Sinapa) [Sistema Nacional de la Profesion Administrativa].

Gutierrez said that defense spending will surpass 4 billion pesos because the salary increase to retired military personnel will be implemented as of January 1994.

Guidelines clearly establish that the budget will take into account the expenses caused by the administrative reform, the strengthening of regulatory agencies, the creation of internal auditing units, and the restructuring of the Education and Health Ministries prompted by the decentralization of services to the provinces.

Gutierrez said: "The management of public spending calls for more efficiency. Consequently, the plan to reduce by 10 percent the budget of state departments and areas will continue."

Concerning public investment, the government considers as its priorities the improvement of the energy and highway infrastructure, port and airport operation, sanitary facilities, and Judicial Branch operation.

Finally, a special section will be devoted to social spending, which provides for the promotion of mother-child programs, health care programs, drinking water programs, sewage system programs, and stronger support for social security.

Bolivia

EC Representative Criticizes Lack of Cooperation

PY2707132893 La Paz Radio Fides Network in Spanish 1100 GMT 27 Jul 93

[Relay from Trinidad by Eduardo Candia]

[Text] [Name indistinct], representative of the EC, which is financing a project to shelter this city and its surroundings from periodic floods, believes that a lot of time has been wasted in the implementation of a project to hold back floods. This project, according to the schedule, should be almost finished but there is still a lot to be done.

During a visit to Trinidad, the EC representative regretted the lack of cooperation by Bolivian authorities who, according to him, have wasted a lot of time with red tape instead of emphasizing the project's construction, although they are aware they must take advantage of the dry season because when the rainy season comes they will not be able to continue the work and what has been built so far will be damaged.

The EC representative referred, in sum, to the large bureaucracy involving, for instance, negotiations regarding the land that will be used to build the project. He said there is too much red tape and little action on a project that will help the people. The EC expert announced that the funds are available in the bank, therefore, there is no other excuse to justify the delay. He commented, however, that the Bolivian authorities have shown very little interest in solving this terrible flooding problem.

Former Foreign Minister Explains Resignation

PY2707203493 La Paz Television Nacional Network in Spanish 0100 GMT 27 Jul 93

[Interview with former Foreign Minister Ronald MacLean by anchorman Carlos Mesa from Television Nacional studios in La Paz—live]

[Text] [Mesa] Foreign Minister Ronald MacLean made a decision that is unusual and without precedence in modern Bolivian politics: He voluntarily resigned over obvious disagreements with President Jaime Paz Zamora.

Mr. MacLean, thank you for being here with us tonight. How did a crisis of this magnitude occur less than 15 days before the conclusion of this administration.

[MacLean] I believe what happened was completely unexpected. The declarations by the president, as I understand it, introduced a substantial change in the way we were negotiating with Chile. Our strategy was one of gradual peace, integration, and development. Its essential form was a way of communicating with Chile, a way of erasing the image given by Bolivia of being harsh and aggressive, a belligerent country with which it was difficult to talk, with which it was better not to have any relations due to its usually belligerent attitude. The second element is that Bolivia has, over the years, given signals of a change of attitude in its foreign policy. Not in its objectives because they have been clear ever since the Pacific War, but in the way of dealing with them. And the third element is that we have always been looked upon as a country of confrontation over this problem.

[Mesa] Did the president contact you before his speech and the reiteration of his position 24 hours later?

[MacLean] No, unfortunately I was out of the country at that time. I returned early in the morning of 23 July. We then spoke and I understood it was a problem of context. But from what I saw after the president reiterated his position, he was convinced that this was the right way to express the frustration of the country over the maritime

problem. But we all share this frustration. Our differences lie in the way of relating and expressing ourselves to Chile, with which we have worked and we are working toward creating the necessary environment of trust before discussing the basic issue of the Bolivian landlocked situation.

[Mesa] Can the president's attitude be interpreted simply as removing his support from the policy of his foreign minister?

[MacLean] I talked with the president on this issue. He does not see a change in Bolivian foreign policy and has in no way indicated or told me that there is an important change or mistrust on this issue. On the contrary in the long conversations we held, the president asked me to explain this position, a position that is not inconsistent with the policy we are implementing. Unfortunately we are people with established criteria. I disagree in the sense that I believe the very harsh declarations of the president changed the relationship we were developing with Chile thus altering the conditions and the environment of trust that was being created.

[Mesa] In some circles, in the sectors that harshly criticize your work as foreign minister, it is said that you are a pro-Chilean foreign minister.

[MacLean] First, I am a great grandson of Abaroa [Bolivian hero of the Pacific War], I am very proud of it and believe my family has provided more than enough evidence that we report for duty when called. By the way, today I unveiled a statue of Abaroa in the Foreign Ministry and I quoted some of his words. Aboroa was always looked upon as a fighter during the war, during the emergency. But before the war Abaroa was a simple man, a reliable man, a man of principles, a thoughtful man. In peace we must work with the instruments of peace. In war we must work with the instruments of war. But we cannot pretend to be aggressive when we are not going to war and we are not in a war situation. I believe we must use diplomatic instruments. We must be clever, prudent, and cautious because these are the instruments of diplomacy that we must use to progress on issues that interest us by looking to conciliate interests because no one will give us anything for nothing.

Therefore, those who say I am pro-Chilean are only over simplifying because I am pro-Bolivian, and what we have been doing is, I believe, in the best interest of this country.

[Mesa] The million dollar question that has always been asked about our foreign relations with Chile is: How can we conduct reasonably good relations with Chile without putting aside the sea outlet problem, assuming Chile is not interested in discussing the sea issue.

[MacLean] It is difficult for Chile to discuss the sea issue because Chile also a problem of internal public opinion. Bolivians and Chileans have taught their children different versions of history. One of the first things we should do is to try to write history together. But the other main problem is the lack of trust and dialogue or communication between the two countries. This also happens between people. If I wanted to collect a debt you owed my grandparents, for example, and if I constantly ill treat you and act snobbishly, you will avoid having any contact with me, you will avoid having a relationship, just like Chile now prefers not to have relations with Bolivia. The possibility that the debt will be repaid will be very remote. We have to work on a long-term strategy—which we know will not have immediate results—by creating an environment of trust, of common interests. This strategy will, in addition to leading us to the final objective, give us partial results through an improvement in our trade with Chile and will enable us to export more, obtain more investments, and acquire new technology. If we continue with this position that in more than 100 years has not moved us one millimeter closer to the sea, we will merely lose the war for a second time due to a harsh, intransigent, and aggressive attitude that cannot produce results.

[Mesa] Is this a criticism of the president?

[MacLean] The president inspired, conducted, and supported the policy until a few days ago. If it is criticism it is because this change in our communications—not to say a change in our strategy because he said there is no change and I believe him, I obviously accept what he says—is a retrograde step. It is precisely this attitude that created the image that Bolivia is not a valid and consistent interlocutor with which a reasonable agreement can be reached.

[Mesa] One possible interpretation of the crisis is that, instead of it being a foreign policy problem, it is a domestic policy problem. The president is annoyed over the case of former Ambassador Saavedra Weiss which revealed scandalous nepotism in Argentina, involving relatives of the president and of General Hugo Banzer Suarez. Is this a reprisal against Ronald MacLean?

[MacLean] I do not believe that is the case. The president has a human quality that cannot be doubted. If he made a decision like that it would perhaps be more oriented toward domestic policy. But I have no doubt that the president would have made decisions to cover the circumstances you just mentioned.

[Mesa] One local daily said that the officials who used their influence on the president were Minister of the Presidency Gustavo Fernandez and Oscar Eid, acting president of the MIR [Movement of the Revolutionary Left].

[MacLean] Well, that daily has its sources of information.

[Mesa] One last question: What will remain from the Jaime Paz Zamora administration, the agreement signed in Salvador, Bahia, or the statement; indolent adversary, retrograde, and stone age?

[MacLean] I think something very important happened, something neither the president or I would have ever expected: The president's remarks received almost unanimous rejection by the media. If the media reflects, at least in part, the opinion of the people, I believe a substantial change has occurred in Bolivia. A few years ago such a declaration would have received much greater support. To our great surprise I believe the seeds we planted have rooted much better than we imagined. We see there is consensus about the need to communicate with Chile at a level of respect, firmness, clarity and not by creating more friction or resentment. I believe this is a very important progress. I believe this represents progress toward the modernization of the country, I also believe it shows that the consensus follows that line. Futhermore, I believe the next government will return to the policy, as I said, carried out by President Paz Zamora. The policy that was inspired and supported by him, but which, at the last minute, witnessed this about turn of which the people clearly disapprove.

[Mesa] Let me ask you one last question. Having been foreign minister, would you say accepting the post was a mistake? If you could go back, would you accept the position of foreign minister or retain the glory of having been mayor of La Paz for five years?

[MacLean] Absolutely not. If I could do it again, I would do it again. I believe we have taken important steps forward. My academic formation helped me to better understand the circumstances and the needs of a ministry like this. I also believe that this ministry has laid a path to be followed in the future. I believe we have created—despite all the criticisms and controversies—a consensus that there is a modern, aggressive, serious, yet serene way to communicate with Chile and I believe this has given almost immediate results. I will mention just two examples: Not since 1904, 89 years ago, have we resolved all border problems with Chile. Chile has not even been able to do with Argentina. We also signed a very important complementation agreement. One minister recently told that through this new environment we have resolved many other problems in mining, ports, transportation that we could not have resolved before. As I said, if I could to do it again, I would do exactly the same. With greater experience I believe we would go much further.

[Mesa] Thank you very much Ronald MacLean, former foreign minister, for being with us tonight in this newscast. It remains to be seen or guessed who will be the foreign minister for the few days left in the Paz Zamora administration. It is believed that Antonio Aranibar of the Free Bolivia Movement will be the foreign minister as of 6 August.

New Foreign Minister on 'Unchanged' Chilean Relations

PY2807030993 La Paz Television Nacional Network in Spanish 0100 GMT 28 Jul 93

[Text] We have the first remarks made by Roberto Pena as foreign minister.

[Begin recording, in progress] [Pena] ....the work I have been undertaking as minister is to support the president. On this occasion he asked for my cooperation in concluding the work at the Foreign Ministry. By no means is it something uncomfortable.

[Unidentified reporter] Do you have an objective for the last eight workdays during which you will be fulfilling these duties?

[Pena] I will basically conclude what is left to be done, which is the government transition that we have to implement. It is one of the final commitments for closing this government's term. We must accompany the president to his negotiations in Peru, which will be held in the next few days. During these few days left we will continue with the normal work at the Foreign Ministry.

[Reporter] Do you think relations with Chile have been impaired by the latest events, at least at a commercial level?

[Pena] We don't think so, because the main reasons that have promoted these relations—that is, the search for equilibrium in the balance of trade, and bilateral economic relations—remain unchanged. We do not believe that they should undergo any type of alteration. [end recording]

Brazil

Franco Issues Communique Rejecting Military Coup Report

PY2707233893 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 Jul 93

[Text] President Itamar Franco has rejected a report of a military coup in Brazil.

[Begin Luiz Augusto Mendonca recording from Planalto Palace] In a nine line communique, President Itamar Franco replies to articles published in the U.S. newspaper THE NEW YORK TIMES on 24 and 25 July. In these articles, the newspaper warns of the possibility of a coup d'etat in Brazil and describes a situation of economic chaos and poor civilian leadership. The article published in THE NEW YORK TIMES is signed by James Brooke, the newspaper's correspondent in Brazil.

Itamar Franco said the following:

THE NEW YORK TIMES is misinformed about Brazilian reality. The articles mention, in a disorderly and anachronistic fashion, opinions endorsing an authoritarian regime.

As a whole, Brazilian society is democratic. The transition phase that we have recently completed demonstrates that Brazilians respect the laws and the Constitution.

The correspondents of this newspaper should spent more time in our country to improve their perception of Brazilian reality, if they know where Brazil is.

We have our problems the same way the United States has its problems and we are trying to solve them earnestly and within democratic principles. We will solve them in this way.

Signed, Itamar Franco. [end recording]

Newspaper Report Called 'Sensationalist'

PY2707235493 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 Jul 93

[Text] Military ministers have described as sensationalist the U.S. newspaper that published a report that Brazil could experience another coup d'etat.

[Begin recording] [Reporter Renata Verissimo in Brasilia] During celebrations to mark the 47th anniversary of the establishment of the Armed Forces General Staff, the military ministers reacted to a report that Brazil could experience another military coup. This possibility was raised this week by the U.S. newspaper THE NEW YORK TIMES.

According to Navy Minister Admiral Ivan Serpa, there is not the slightest possibility of a coup occurring. He said this report is at odds with our country's current situation. In the minister's opinion, this is just press sensationalism.

[Serpa] Sometimes a person receives a report, believes it comes from a reliable source, and publishes it. A report does not necessarily come from a reliable source, and sometimes not only does it not come from a reliable source, but from a fanciful source, such as in this case, in which such a report was (?published).

[Verissimo] During the celebrations, various civilians and members of the military were decorated with the Armed Forces Order of Merit.

Among the civilians were the health, planning, science, and technology ministers and the federal administration secretary. [end recording]

Government Adopts Measures To Improve Public Enterprises

PY2707184593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jul 93 Economy and Business Section p 1

[Text] Brasilia—State enterprises will be required to implement severe measures to increase their productivity and improve their services. Those that fail to do so might close down or be privatized. The government decision was announced by Planning Minister Alexis Stepanenko yesterday at the end of a meeting with Finance Minister Fernando Henrique Cardoso and President Itamar Franco during, which they assessed the situation of these enterprises. It was agreed that the managers of these enterprises would be granted 15 days to submit specific plans to correct distortions. The salary problem, however, will be handled by Itamar Franco.

The ministers recommended a reduction of investments amounting to $2.49 billion (from $11.7 billion to $9.2 billion) in public enterprises, but this proposal was not approved during the meeting and it was agreed to postpone discussing the subject, case by case, until the end of the month. Other proposed control mechanisms will be assessed by Control of State-Run Enterprises (CCE) working groups that met in the morning. Sectorial chambers, such as those that already exist for the private sector, will be created.

The 159 public enterprises last year billed $52 billion. This year it should amount to $59 billion. Their payroll amounted to $8.4 billion and this year will amount to $9.5 billion. Productive enterprises' assets amount to $193 billion while those of the financial enterprises amount to $140 million. Their debt is three times higher than the foreign debt to creditor banks, that is, it amounts to $107 billion, of which $22.7 billion is in arrears.

Between 1989 and 1992, salaries paid by public financial enterprises were two and a half times higher than those paid by public productive enterprises. The number of employees at public productive enterprises was reduced during the past few years from 446,000 in 1989 to 380,000 in 1992. The average annual cost per worker increased from $21,000 to $25,000 this year. The finance minister said: "The federal government cannot continue to finance this large expenditure."

During the CCE meeting, Minister Cardoso submitted to the ministers an unannounced proposal for public tariff and price policies. He commented that the idea is to make adjustments based on costs rather than on inflation. The CCE also discussed the sale of the federal government's minority shares in some 1,000 private enterprises through the Bank of Brazil and the BNDES [National Bank for Development and Participations].

Newspaper Views Difficulties Within Mercosur

PY2707184893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jul 93 p 3

[From the "Notes and Information" page: "Difficulties in Sight"]

[Text] Rising on the horizon for some time now, the difficulties in turning the Mercosur [Common Market of the South] into a de facto [preceding two words published in Latin] free trade zone are beginning to become more real than the efforts already made and confirmed through international treaties. Although it has been presented from the beginning as an idea that would put an end to the climate of distrust that has marked relations between Brazil and Argentina, the process of

implementing the initial proposals is beginning to yield the obvious incidents that can undermine what has been achieved so far.

Surely, free trade between Argentina and Brazil will probably meet, as it does, multiple and various Brazilian interests, even though it could be said then, and repeated today, that the greatest comparative advantages could benefit Argentina and the other two partners, to the extent that a much larger consumer market is opening up for them. It would be too much to reach an understanding on the real advantages Mercosur might bring to Brazil considering the fact that it submits our industry and agriculture, as well as those of the other partners, to a sound process of competition, in view of the fact that restrictive measures respected in the free-trade zone favor third countries (European, American, and Asian) entering Southern Cone markets through the back door.

The creation of a free-trade zone is always barred by the created interests of those who have more-or-less direct access to the governments' decisionmaking powers. In other words, from the theory of integration to the practice of free trade there is a distance of each country's social and economic history and the degree of development. Unquestionably, at least in the industrial area, Brazil is the country with the most industrial development among the four, and if agriculture and its byproducts suffer from Argentine competition, for instance, Brazilian industry is in a position to advantageously compete with Argentina (Paraguay and Uruguay do not count in this context). To the difficulties imposed by the different degrees of development now are added those stemming from the macroeconomic adjustment (or not) policies. Within this framework, the continuous inflation and crisis in Brazil are brought up as barriers to a full union in 1995. Making efforts not to cause difficulties in the effective creation of Mercosur, the Brazilian Government does not make any adverse propaganda as some partners do, not including in the agenda, therefore, the restrictions the Cavallo Plan, not having resolved the exchange problem, imposes on the integration process to the extent that it necessarily places Argentine industries in a situation of inferiority. With that, those industries are taken to put pressure on the Argentine Government to act outside the spirit (if not of the provisions) of the treaties already signed.

Mercosur today faces a situation of that nature, and for the first time the Brazilian Government is forced to adopt positions not in line with those of the past, when everything was like flowers (we do not say "roses" in order not to recall the past that caused disunion). The first time the Buenos Aires Government gave signs that before consolidating Mercosur it would first take care of the interests of the Argentine state and industry was when, pressured by a large deficit in its trade balance with Brazil, Cavallo had to increase the customs tariffs, disguising this increase under the label of increasing the statistics rate. The Brazilian Government pretended understanding of the Argentine reasons, changed some of its policies (purchasing, for instance, more crude oil from Argentina), to reduce the Argentine trade balance deficit, and objectively accepted the imposition. Now the situation has been aggravated because of Cavallo's obstinacy (which is not discussed) in maintaining the same exchange rate and also, and this is important, because of the interests invested in Argentine industry. The Argentine Government reduced to zero the import tariffs on capital goods—which harms Brazilians, especially when the common foreign tariff for Mercosur has not been established yet—in addition to promoting antidumping [preceding word published in English] actions against Brazilian products. More importantly, it decided to impose import quotas on many Brazilian articles. The spirit of the signed treaties was violated by a Mercosur partner, in the exercise of its sovereignty....

Behind all these hostile Argentine gestures (they do not deserve a different name), on the one hand, there is the impression that Brazil will sacrifice everything for the existence, at least by name, of Mercosur, and on the other hand, the intention, attributed to collaborators close to President Menem, of using Mercosur as bargaining instrument to try including Argentina in the North American Free Trade Agreement (NAFTA), receiving all the benefits the North American markets can offer, once integrated. Itamaraty must verify very soon to what extent can the Argentine created interests be considered in an intergovernmental negotiation, above the treaties. Having allowed the idea to exceed economic and political-cultural realities, not to say historical, the Brazilian Government now will have to avoid a situation that could be diplomatically delicate.

* Exports to Cuba Decline in 1993

93SM0336C Sao Paulo GAZETA MERCANTIL in Portuguese 30 Jun 93 p 3

[Article by Maria Helena Tachinardi: "Brazil Reducing Exports to Cuba"]

[Text] Brasilia—Trade between Brazil and Cuba, which totaled as much as $100 million in 1988 and 1989, will probably amount to $60 million this year, or $10 million less than last year. Although Brazil is the most complete country from the standpoint of export products wanted by the Cubans, it is falling behind Argentina, Chile, and Mexico in trade with the island.

"Brazil can supply 85 percent of the items needed by Cuba," said Jorge Bolanos, the Cuban ambassador in Brasilia. "But Brazilian businessmen still lack the creativeness of the Chileans, who have been outstanding when it comes to utilizing Cuban industry's idle capacity, which stands at around 70 percent. Many Chilean businessmen are investing in idle factories in Cuba to increase production for export," Bolanos commented.

Of the expected $60 million in trade this year, $10 million will be in the form of Cuban exports of cement, sugar, medical apparatus, and fruit extracts and oils for the Brazilian food industry. Cuba imports the following

from Brazil: soybeans, tires, chemicals for the fertilizer industry, machinery (25 percent of the sugar equipment used in Cuban sugarmills is produced domestically), building materials, elevators, freight vehicles, tourist buses, electrical apparatus, and, sporadically, frozen chicken.

If it is successful in signing a contract with the Ministry of Health to supply about $100 million worth of generic medicines annually (that is, medicines without a trademark and bearing only a list of ingredients), Cuba will be eliminating the idle capacity of at least one of its industries—the pharmaceutical industry—which currently produces only for domestic consumption and for small exports to Colombia, Venezuela, Mexico, Peru, China, Russia, Iran, Ukraine, and India.

Bolanos points out that before the collapse of the Berlin Wall and the disintegration of the Soviet Union, Cuba was exporting $400 million worth of medicines annually to East Europe.

He prefers not to place too much hope on exports of medicines to Brazil until the contract is actually signed, just as he also avoids mentioning the names of Brazilian firms negotiating with the Cuban Government so as not to expose them to the restrictive mechanisms of the Torricelli Law, which was passed by the U.S. Congress last year and which strengthens the U.S. economic blockade of Cuba, its purpose being to put pressure on U.S. firms operating abroad not to do business of any kind with the island.

As a result of the blockade and the drastic reduction in trade with East Europe, Cuba has been trying to find supplies in Latin America, where there are countries—such as Chile—that are taking advantage of creative methods of financing trade.

Purchases from Brazil are paid for strictly in cash from the income Cuba earns mainly from the tourist industry, which is now the second-largest source of Cuban earnings and one of the fastest-growing industries in the Caribbean, according to Ambassador Bolanos.

Since the normalization of relations, Brazil and Cuba have signed a number of agreements that may promote various kinds of cooperation, examples being cooperation in the scientific-technological, cultural, and commercial areas.

* 1991 Census Reveals Rise in Elderly Population

93SM0336A Sao Paulo GAZETA MERCANTIL in Portuguese 1 Jul 93 p 3

[Article by Vera Saavedra Durao: "Brazilians Aged 60 Years or More now Make up 6.7 Percent of Population"]

[Text] Rio de Janeiro—The percentage of adults an elderly in the Brazilian population is rising, as is show by data in the 1991 Population Census. Infants an children up to 15 years of age accounted for 42.3 percen of the national population profile in 1970, but thei number had declined to 35 percent by 1991. On th other hand, individuals between 15 and 59 years of ag totaled 58.3 percent in 1991, compared to 52.6 percen in 1970, and those aged 60 years and older accounted fo 6.7 percent, compared to 5.1 percent in 1970.

Those figures are the result of declining fertility amon Brazilian women, the rate having fallen sharply fro 4.35 children per woman to 2.7 children per woman b 1991. According to Valeria da Motta Leite, technica coordinator of the 1991 census, the use of contraceptiv measures (chiefly pills and tubal ligation) is the facto most directly responsible for this phenomenon.

Data gathered by Benfam-DHS [expansion not given] fo a 1991 survey on family health in Northeastern Braz reveals that 52 percent of Northeastern women under 3 years of age have been sterilized and that 22 percent hav fewer than three children. Sterilization providers ar listed in the survey as follows: government (responsibl for 42 percent of the tubal ligation operations), INAMP [National Institute for Social Security Medical Assis tance] (32 percent), and private providers (20 percent) The contraceptive methods surveyed include the pill (1 percent) and sterilization (38 percent).

"The phenomenon of declining fertility, confirmed b the census, is directly responsible for signs that th Brazilian population is aging," says Valeria. The result i that the population is now growing by 1.93 percent pe year, compared to a rate of population growth of 2.8 percent in 1970 and 2.48 percent in 1980.

The 1991 census confirms that the mortality rate is als declining in Brazil. "The decline in Brazilian mortality i associated with the introduction of antibiotics in its firs phase and is due basically to environmental sanitatio measures as well as intensified vaccination campaigns—involving chiefly children—and has been occurring inde pendently of the population's socioeconomic condi tions," says the coordinator of the 1991 census.

The recently processed figures also show that life expect ancy at birth—that is, the Brazilian's average life expect ancy—had jumped to 65 years by 1991. It was 59.8 years in 1980 and 52.49 years in 1970. The probability o dying before completing one's first year of life als declined considerably, since only 6.5 percent of th country's children were dying before their first birthda in 1991, compared to 8.8 percent in 1980 and 11.4 percent in 1970.

Brazilian Population [in thousands] *

Age group	1990	2000	2010	2020
0-4	16,043	17,512	16,466	16,982
5-9	17,217	17,041	17,135	16,479
10-14	16,886	15,732	17,227	16,425
15-19	14,874	17,096	16,939	17,046
20-24	13,384	16,730	15,609	17,114
25-29	12,471	14,679	16,909	16,786
30-34	10,914	13,150	16,489	15,427
35-39	9,327	12,182	14,398	16,645
40-44	7,742	10,569	12,800	16,123
45-49	6,055	8,918	11,722	13,934
50-54	5,093	7,264	9,994	12,193
55-59	4,193	5,515	8,204	10,889
60-64	3,588	4,425	6,391	8,916
65-69	2,746	3,395	4,536	6,871
70 and over	4,261	5,263	6,656	9,353
Total	144,794	169,471	191,475	211,003
0-14	50,146	50,285	50,828	49,706
15-64	87,641	110,528	129,455	145,073
65 and over	7,007	8,658	11,192	16,224

* 1990: estimate; 2000, 2010, and 2020: projection.

Source: Brazilian Institute of Geography and Statistics.

According to the census coordinator's analysis, the trend toward a lower fertility rate in Brazil is irreversible. In the year 2000, for example, the population may total 169 million, or 32 million less than was being forecast in the early 1980's. The population under 15 years of age will probably not increase over the next seven years, while the population between the ages of 15 and 65 years will increase faster than the overall average, but at a decreasing rate, and the population over 65 years of age will grow faster than the average and at increasing rates.

By the year 2000, Brazil will have an annual population growth rate of 1.10 percent and the following age structure: population between the ages of zero and 14 years: 23.5 percent; from 15 to 64 years of age: 68.7 percent; and over 65 years of age: 7.7 percent.

Chile

President Aylwin Meets Generals, Pinochet

PY2707125693 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 27 Jul 93

[Text] The meeting between President Patricio Aylwin and the Army corps of general headed by Commander in Chief General Augusto Pinochet lasted more than four hours. During the meeting, which was characterized as positive, President Aylwin presented his proposal to solve the conflicts resulting from the trials involving military officers charged with violating human rights.

President Patricio Aylwin arrived at La Moneda Palace at 0750 to begin a meeting with the Army generals that will be registered in the history of civilian-Army relations.

Gen. Pinochet entered directly through the underground entrance of La Moneda Palace, where he and his top military commanders met with the president in the so-called bunker built by the previous regime.

The president was accompanied by the defense minister and the war under secretary during his detailed exposition on the principles ruling the government's defense policy. The meeting behind closed doors, where no photographs were allowed, lasted longer than originally scheduled.

Unofficially, it was reported that there was nothing legal or ethical that was not discussed by the president. It was assured that Aylwin made clear that there cannot be another amnesty law, that there is a possibility of naming alternate prosecutors, and that the topic of special jails for the military was not mentioned during the entire meeting that lasted more than four and one-half hours.

There was also agreement that the meeting was an important step to improving relations with the Army.

But the official version of the meeting was given by Defense Minister Patricio Rojas. He said that the president explained his views and prospects about national reconciliation, civilian-military relations, the Armed Forces' role, and the problems derived from trials against officers charged with human rights violations. Rojas added that the generals asked a series of questions in a frank and respectful climate.

[Begin Rojas recording] Nothing of importance was discussed. There were questions made in a tone of respect proper between general officers and the president of the Republic. The questions were answered by the president with the criteria he has handled all these years regarding defense policy. [end recording]

Gen. Pinochet left la Moneda Palace and in a few seconds covered the 300 meters separating the presidential palace from the Armed Forces building. Minutes later the other generals did likewise to avoid reporters who gathered at the entrances. The generals were all scheduled to participate in another meeting, the meeting of the Military Council, to discuss what President Aylwin had said.

One of the central points of the presidential proposal was a bill on alternate judges or special prosecutors to speed up the trials as much as possible against military officers charged with violating human rights. In this way investigations that have taken years could finally end, making possible the application of the amnesty law on violations that occurred before 1978.

Following President Aylwin's two-hour talk, and a short explanation by the defense minister, half of the 40 generals asked the president questions about the issue of the trials. Why not a new amnesty law, was one of the questions. The president answered that the government is not contemplating the possibility of a new amnesty. The other questions primarily referred to budgetary problems.

When leaving the Armed Forces Building, Major General Guillermo Garin, 1st Army Corps commander, talked with some journalists about the meeting. He said the meeting was quite informative. When asked about his opinion, he only made a gesture.

Trade Relations With PRC Showing 'Spectacular' Growth

PY2807034193 Santiago Radio Cooperativa Network in Spanish 2300 GMT 27 Jul 93

[Text] Chilean exports to the PRC have grown spectacularly. The trade exchange between the two countries has also increased significantly. The details were explained by Eduardo Moyano, Foreign Ministry international economic relations director, after the inauguration of the two countries' mixed economic commission.

[Begin Moyano recording] China is a very big country, which is at the moment growing very rapidly. I would say it is a world rarity. The economy of a country of over 1 billion inhabitants growing at 12 percent per year presents enormous opportunities. Chilean exports to that market have been growing, and we think there is no reason they will not continue to grow very quickly. The PRC needs large supplies of raw materials, other products, and intermediate materials that they do not produce. [end recording]

Moyano said that copper is the main product Chile exports to the PRC, while China sells mainly heavy machinery and textile products to Chile. Moyano stressed the spectacular growth in the Chilean-PRC trade exchange:

[Begin recording] Last year our total exchange reached the historic mark of $427.3 million, the highest in our trade relations. Chile imported $146.7 million—a growth of 54 percent compared to last year—and exported $280 million—a growth of 250 percent over last year. [end recording]

The most significant act of rapprochement with the PRC has been President Patricio Aylwin's visit to that country last year. Moyano recalled that visit, stressing that the president's having been accompanied by 56 Chilean entrepreneurs was very important.

Colombia

* Development Plans of Cusiana Oil Reserves

* National Planning Report

93SM0346A Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Jun 93 p 5B

[Text] Just after noon today, President Cesar Gaviria and the leading national energy authorities announced from the Casa de Narino that the Cusiana and Cupiagua oilfields in Casanare have a market potential.

On this basis, the ECOPETROL [Colombian Petroleum Enterprise] will undertake to cover 50 percent of the expenditures required for the development of the project, while the three partners in the contract agreement—British Petroleum, Total, and Triton—will cover the other 50 percent.

The extraction phase being launched is so vast in scale that after 12 years, the country will be exporting a million barrels of crude oil per day and will have reserves of crude oil in excess of 10 billion barrels.

The figures projected for the coming oil boom have led to all types of speculation and commentary by economic analysts. The government, however, with but few exceptions, has been particularly cautious.

Despite this, EL DIARIO ECONOMICO has obtained access to the only document drafted by the National Planning officials on this subject. We are quoting below

the first portion of this document, which contains a description of what constitutes the new deposits.

Cusiana and the Economy

The economic policy of the past year was designed to eliminate the causes of such a large temporary accumulation of reserves by modifying the protection system and the monetary policy. To the extent that imports continue to respond and the reserves cease to increase, the accumulated foreign assets will cease to pose a future threat to the open economic approach. They may even have had a positive effect, since the foreign liquidity they provided made it possible to consolidate the successes that are beginning to result from the decisions made in the past two years.

In the short run, everything seems to indicate that this—consolidation—is the basic task. The structural reforms, especially those connected with the labor, financial, and foreign-exchange markets, together with the commercial reforms, have shown clear signs that they are working. It would be desirable to avoid promoting additional changes in any of these sectors that might prevent the reforms from having their full effect on economic activity.

But what would happen if, to this temporary phenomenon that is now beginning to fade, some permanent cause of accumulation of reserves were added? To what extent will the prospects for an open economic policy change when the Cusiana potential is added in?

What does Cusiana represent?

1. Gross Value

Nowadays, there is some uncertainty about the extent of the findings in Cusiana. The best estimates available indicate that these reserves may range between 1 and 3 billion barrels.

For this reason, we have seen fit to postulate two possible scenarios suggested by the data available—the discovery of reserves of 1 billion and 2 billion barrels in Cusiana.

Given a reasonable likelihood of the development of wells based on purely technical considerations, the production dynamic in terms of time is as follows. Beginning with 15 million barrels in 1993, production would increase gradually to a figure of 80 or 110 million barrels by the end of the century, when its peak would be reached, and from that time on it would drop off gradually until the wells were exhausted 20 years later. Almost all of this production would be destined for the foreign sector.

In current dollars, and depending on the scenario, exports will increase exponentially up to the point of $1.8 billion or $2.6 billion per year at the end of the decade, representing between 3 percent and 4.5 percent of the GDP [gross domestic product] at that time.

On this basis, Cusiana might account for the production of between 400 and 600 million barrels during the years of this decade, and the export of this volume could bring in between $9 billion and $13 billion. In terms of present value, Cusiana represents between $8 billion and $12 billion, the equivalent of more than a fourth of the current GDP.

The resulting increase in mining production would not be negligible. With this increase, the contribution made by mining to the GDP would increase from today's 5 percent to almost 7 percent by the end of this century. This would reinforce the reversal of the shrinkage of the mining sector that occurred between the 1940's and the beginning of the 1980's.

2. Macroeconomic Value

The importance of Cusiana cannot be measured, then, solely in terms of the volume of the mining production it represents. Its effect on the economy can better be observed in the foreign and fiscal accounts. In the final analysis, its impact will be one of what the economists call the "general balance" type.

The barrels of oil produced in Cusiana might provide the country with a foreign-exchange flow of between $9 billion and $13 billion by the end of the decade. Also, the fiscal income produced by Cusiana could come to between $6 billion and $7 billion in addition to what might be expected based on the current trends. Both figures are huge, and management of them constitutes a veritable challenge for the economic policy of the future.

Tomorrow we will deal with the effect of the money from Cusiana based on various economic hypotheses.

*** Further on Report**

93SM0346B Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Jun 93 p 5B

[Text] In announcing the marketability of the output of the Cusiana and Cupiagua oilfields yesterday, President Cesar Gaviria said that the new oil operation will produce profits of $14 billion in the next 11 years.

Of this amount, about $3.5 billion will be royalties transferred to the governments of the department of Casanare and the municipalities located within the jurisdiction in which the rich deposits lie.

Some $450 million per year will be transferred to the municipalities, while another $1.5 billion will go to the central government.

The chief of state expressed the view that there will be a significant increase in international reserves during this same period.

Based on all of these figures, Armando Montenegro, the director of National Planning, said that while Cusiana is sending a signal of financial solidity, and the country will

have foreign exchange to strengthen the public sector, it must be borne in mind that bonanzas require careful handling.

"This bonanza can be compared with a household that has won the lottery. There are people who will spend the money wisely, saving a little and making proper investments, but there are others who will go into debt, spending lavishly, and when they stop to think, their money will be gone, and they will be worse off than they were before," he explained.

In this connection, President Gaviria added that the wells in Cusiana and Cupiagua are providing a historic opportunity to channel progress into every corner of Colombia, an opportunity "we cannot and will not let go to waste."

The Modus Operandi

The market potential announced yesterday means that the country is adding to its hydrocarbons assets about 2 billion barrels of oil and 3.2 billion cubic feet of gas. This means that Colombia has doubled its reserves of crude oil and can retain its status as an exporter beyond the year 2000.

The decision also means that the ECOPETROL [Colombian Petroleum Enterprise] and the associated companies (British Petroleum, Total, and Triton) will have to reach agreement on the investment aspects and the development plan that will make it possible to produce some 150,000 barrels of oil by the end of 1995.

The state oil concern will have a 60-percent share in the future production of these fields and will cover 50 percent of the liabilities and costs.

These resources are estimated at between $4.3 billion and $6 billion, including the construction of new oil pipelines to transport the crude oil.

However, the legal representative of British Petroleum expressed the view yesterday that $1 billion in investment will be required of the three partners.

In the opinion of Gaviria Trujillo, it would be senseless for a developing country like Colombia, with its incalculable social-investment needs, to provide the sums required for this project out of the public coffers. In his opinion, this would leave broad social sectors without adequate financing.

The alternative, then, according to the president, is to bring together the private investors, both domestic and foreign, who have indicated a readiness to provide their support.

"We are sure that investment in this kind of project is highly profitable for all parties. For the international companies, it means a solid return on their investments, while for the country, it provides an opportunity for progress and development," he said.

*** Earnings Estimated**

93SM0346C Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Jun 93 p 5B

[Text] Although they are working on various possible macroeconomic scenarios, the National Planning authorities believe that the Cusiana phenomenon will generate about $20 billion for the country during the balance of the decade.

This is the most important conclusion in the second part of the National Planning analysis cited yesterday by President Gaviria.

"The barrels of oil produced in Cusiana could provide the country with a foreign-exchange flow of between $9 billion and $13 billion by the end of the decade. Also, the fiscal income derived from Cusiana could come to between $6 billion and $7 billion in addition to what can be expected based on the current trends. Both figures are huge, and their management poses a challenge for the future economic policy."

The purely macroeconomic impact of these shocks can be assessed through the use of the tool of simulation.

The premises for the basic case are economic growth of about five percent in the next three years, accelerating gradually to the level of six percent by the end of the decade; and inflation declining, also gradually, at the rate of two points per year and stabilizing at about 14 percent by the end of the decade.

It is also assumed that the rate of exchange will remain at the current level; that international growth will average about 3 percent per year; that there will be a foreign-investment influx of $800 million per year; that the level of the foreign debt will be maintained, in nominal terms; and that public investment as a percentage of the GDP [gross domestic product] will remain at the 1993 level.

In this scenario, the lesser exports would provide an increasing percentage of the GDP, and the exports of oil from Cusiana would offset the relative decline for the rest of the traditional exports, primarily coffee. The export total, as a percentage of the GDP, would tend to increase until the middle of the decade, and to decline thereafter.

In financial terms, if the increased fiscal income is not wasted, the public sector would tend to generate surplus savings. These surpluses would compensate in part for the reduced foreign savings through the surplus in the current account, thus creating an incentive for private investment. This private investment would tend to compensate for the discouragement of growth related to the slower growth of overall exports.

* Estimate of Reserves

93SM0346D Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Jun 93 p 5B

[Text] Today, pursuant to the announcement of the marketability of the oil from the Cusiana and Cupiagua fields, the Colombian Government will admit only that the proven reserves total 1.5 billion barrels of oil.

This was indicated in an ECOPETROL [Colombian Petroleum Enterprise] document describing the volumes of crude oil estimated to exist in Colombia.

This report indicates that at the end of 1992, the reserves of crude oil under the direct control of the ECOPETROL were estimated at 600.9 million barrels, including approximately 541.5 million barrels of proven developed reserves, and about 59.5 million barrels of proven undeveloped reserves.

The ECOPETROL expects to increase its direct reserves of crude oil by 400 million barrels, that is to say 66.6 percent, by the end of the century.

The proven direct reserves of natural gas were estimated at 773.2 billion cubic feet at the end of 1992. As of then, the ECOPETROL share of partnership reserves was estimated at 1.514 billion barrels of crude oil and 3.979 trillion cubic feet of gas.

"These figures include the ECOPETROL share in the Cusiana and Cupiagua fields, which contain deposits that have been estimated, according to the ECOPETROL, to represent proven undeveloped reserves of 1.5 billion barrels of crude oil, with a low sulfur content, and 3 trillion cubic feet of gas," it was stated.

Cusiana is being developed by British Petroleum (19 percent), Total of France (19 percent), and Triton Energy, with headquarters in Houston (12 percent).

* Enhanced Security

93SM0346E Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Jun 93 p 5B

[Text] The government has announced that the oil infrastructure located in the piedmont plain will be the focus of special surveillance.

For this purpose, 87 billion pesos will be invested this year.

According to President Gaviria, the strategy in the overall plan to protect the oil installations calls for 10 companies of 100 professional soldiers, eight new intelligence networks, seven counterguerrilla battalions, and five tactical aerial support groups to guard the oil pipelines.

Also, he announced the mobilization of the XVI Brigade headquartered in Yopal at a cost of 5.9 billion pesos. He said that the expenditure of about 1.846 billion pesos has been planned for next year.

Similarly, a security plan is being pursued in the piedmont plain and the Arauca and Casanare sectors. It involves joint efforts by the community, the local and regional administrations, and the national government.

The chief of state emphasized that thanks to this combination of efforts, the number of attacks made on the infrastructure in the sector by the subversives has been reduced this year.

The number of attacks in Cano Limon-Covenas was reduced in the second half of 1992 to less than half the number in the first six months of the year, while the number of attacks on the Colombian oil pipeline was reduced from 24 to three in the same period.

"With the firmness we have shown, and despite the difficult terrain, we have clearly succeeded in perceptibly reducing the insane attacks of the guerrillas that are harming the whole country. The capture of some of the leaders of the subversives has severely damaged the terrorists' ability to attack the oil pipelines," Gaviria explained.

Paraguay

High-Ranking Officers Group Proposes Joint Chief of Staff

PY2707232693 Asuncion ABC COLOR in Spanish 22 Jul 93 p 4

[Text] A group of high-ranking officers on active duty, who asked to remain anonymous, is questioning the law creating the post of commander of military forces. This group, which is proposing a new model for military organization, claims that the Armed Forces commander in chief does not need a middleman as the only valid interlocutor between him and the military. According to this group of officers, the Armed Forces commander in chief must have permanent access to his subordinates in order to influence in exerting real command.

The Armed Forces organizational project prepared by this group of high-ranking officers, which includes a chart, contains a detailed study on why it would be useful to create a Joint Chief of Staff in lieu of the post of commander of military forces, with the purpose of ensuring an effective command of the Armed Forces by their future commander in chief, who as of 15 August will be Engineer Juan Carlos Wasmosy.

The document also analyzes Article 172 of the Constitution, which defines public forces as something consisting exclusively of the military and police forces.

According to the Military Organizational Law, Chapter 2, Article 10, the Armed Forces are organized into: a commander in chief; a commander of military forces; the Army; the Navy; and the Air Force. In analyzing the components of the public forces according to the mentioned law, it can be concluded that the law considers public forces and the Armed Forces to be one and the same.

The officers likewise stress that the expression military forces is questionable, because in most countries military

analysts do not know how to classify the new post of commander of military forces, which was created "with the idea of keeping the Armed Forces under independent control."

The officers state that any armed group, notwithstanding their size or organizational composition, be it national or international, is in general called "military forces." "Consequently, military forces is a hybrid term, which is out of keeping with the military structure—unless the idea is to call the entire military structure the military forces, and to give separate commanding responsibilities to each branch of the Armed Forces, which would thus become parallel commands to that of the commander in chief who, according to the Constitution, should have the real command without needing a middleman," the military officers state.

In speaking of the real command of the commander in chief, the officers mean that it must be direct, without a middleman, and if the post of commander of military forces were created, he would become an obstacle preventing direct contact between the commander in chief and the commanders of each force.

The military officers consider it very important that the commander in chief have permanent access to his subordinates, "because if this does not happen, the commander in chief will only be a decorative figure."

They also say that it is necessary to define the responsibility of the command to prevent any confusion among the parallel commands, given that the commander in chief, in keeping with his competence, his duties, prerogatives, faculties, and rights, must not share this responsibility with anyone.

"There are natural channels in the organization that allow the commander in chief to exert his real command, even if he is not a professional, through a joint chief of staff or through the Ministry of National Defense, which should be an advisory and planning organization that makes recommendations," the officers state.

They stress that a civilian government should not cause concern among the professional members of the Armed Forces, because they are a national rather than a partisan organization.

Therefore, they state, a civilian administration must exert all its powers according to the law and not share its responsibility at all.

Hierarchy of Generals Must Be Rationalized

Regarding the general organization of the Armed Forces, the officers prepared a new military structure model. Much has been said lately about reducing the size of the Armed Forces, which is a subject discussed at all levels of society, they state.

They warn that when the reality of the Armed Forces is not known, the discussion over them sometimes becomes controversial, so it is necessary to analyze their mission to adequately understand them.

"It is time that we recover, with a modern organization, to keep up with the times. It is necessary to end obsolete organization. We need operational, flexible forces, with complete cadres of officers, sergeants, and soldiers," they state.

According to the document by the military officers, the recovery of the Armed Forces could be attained by changing the Army corps for Army divisions, which in turn should be divided into brigades, and the regiments should be divided into operational battalions, which are of major importance and are the smallest units for maneuvers.

The officers state that the combat support units should be deployed in different operational units with the possibility of operating under any circumstances, and should carry out territorial unit tasks besides, according to the characteristics and missions of each Armed Force branch.

They stress the need to adapt the military hierarchy to their units according to the importance and the value of each force.

They say that the Armed Forces must be turned into a national institution which must stop responding to the interests of a particular political or economic sector.

They claim that with a good, controlled organization the Defense budget may be reduced. They add that military officers should be stationed in their missions in keeping with a criteria of professionalism and importance of the units.

The hierarchy of the generals should also be rationalized according to their professional capacity and the needs of the force. Finally, the officers stress the need for obeying the law that prohibits military men from engaging in political activities.

Peru

Witnesses Describe Terrorist Attack on U.S. Embassy

PA2807035493 Lima Global De Television Network in Spanish 0100 GMT 28 Jul 93

[Text] A Shining Path commando unit perpetrated a cowardly terrorist attack this morning in front of the U.S. Embassy in Lima when it detonated a car bomb, killing one civilian and injuring three policemen.

The attack occurred this morning at approximately 0600. According to witnesses, three cars and probably seven terrorists were involved.

The attack began when subversives began shooting at guards in front of the embassy from a Volkswagen van travelling on Wilson Avenue. The shots were intended to distract the security guards

At the same time another vehicle crashed against a Peruvian Army tank stationed at the corner of Espana Street and Wilson Avenue. A man got out of the vehicle that had

crashed against the tank and ran toward a cherry-colored Toyota, which rapidly drove away. One terrorist was captured.

There was an intense shoot out a few seconds before the car bomb exploded that resulted in one civilian dead and three policemen wounded. One policeman is currently in serious condition.

The remains of the car used to carry the bomb, which had license plates RG1773, were scattered over a 200-meter radius. Car parts were found on the roof of the Agriculture Academy located across from the U.S. Embassy. The academy classrooms and blackboards were damaged and broken glass from the windows was scattered all over the floor.

The Matsushita home [not further identified] was also seriously damaged by the explosion. The metal doors were completely torn off their hinges by the explosive waves.

Guzman Reportedly Admits Defeat of Shining Path

PA2707165693 Madrid EFE in Spanish 1543 GMT 27 Jul 93

[Excerpt] Lima, 27 Jul (EFE)—Abimael Guzman, leader of the Maoist Shining Path who was sentenced to life imprisonment, has signed a document admitting the defeat of this group that he has led for more than a decade, several Peruvian newspapers reported on 27 July.

Guzman surrendered unconditionally and urged members of the group to follow suit, the newspapers reported.

President Alberto Fujimori will reveal officially the document on 28 July in a message to the nation on Independence Day. He will also show a videotape in which Guzman signs a surrender document before Navy officers in charge of guarding him at the Naval Base in Callao, a port in Lima where Guzman has been imprisoned and isolated. [passage omitted]

[Hamburg DPA in Spanish at 1545 GMT on 27 July 93 in a similar report adds: "According to LA REPUBLICA, Guzman's surrender, which would reportedly have an overwhelming effect within Shining Path ranks, was reportedly made possible by presidential adviser Vladimiro Montesinos, who reportedly convinced him to tape a message." DPA adds: "LA REPUBLICA, which cites sources close to the Presidency to back up its report, assures Montesinos reportedly managed to gain very close contact with Guzman because he is facing a very difficult emotional situation due to the total isolation to which he has been subjected."]

President Fujimori Presides Over Independence Day Parade

PA2807050193

[Editorial Report] Lima Panamericana Television Network in Spanish at 1530 GMT on 27 July broadcasts live the parade marking the 172th anniversary of Peruvian Independence Day. Video coverage begins with the President Alberto Fujimori and other government officials arriving at the 24th block of Brasil Avenue in an automobile surrounded by other vehicles, horsemen, soldiers, and bodyguards on foot. The president takes his place on a raised platform from where he will preside over the parade. Democratic Constituent Congress President Jaime Yoshiyama and other civilians are to the president's right. Military officers are to his left. The president's wife is also on the platform in the company of other women.

The video then shows the parade route on Brasil Avenue. People are standing on the sidewalk. Military units, some of them accompanied by dogs, are spaced approximately 5 meters apart and standing in front of the crowd.

The announcer notes that the entire cabinet and all the armed forces commanders are on the presidential platform.

At 1604 GMT the national flag is raised and the national anthem is played. The ceremony begins. A Peruvian Air Force squadron flies over the site of the ceremony as Division General Tomas Castillo Meza opens the parade by passing in front of the presidential platform in a military jeep escorted by three similar vehicles. The video shows small units marching dressed in military uniforms as the announcer says that schools and universities will head the parade. The units are followed by light tanks typical of those used in the war against subversion, a "symbol of the victory," the announcer notes.

At 1615 GMT students from San Marcos University and other universities march past the presidential platform. Students and professors from Peruvian schools follow.

The students are followed by armed members of self-defense units from various regions of Peru. Repentant Tupac Amaru Revolutionary Movement and Shining Path terrorists follow, and the announcer explains that they are now members of self-defense units.

The announcer then states: "This marks the end of the first phase of the parade" and that the official Armed Forces military parade will begin. The video shows small Navy, Air Force, Army, and National Police units marching past the presidential platform. The Navy band follows at the head of Navy battalions carrying white banners. The Navy units carry rifles and machine guns. The marines carry mortars and rifles.

The Navy is followed by Air Force contingents headed by the Air Force band. President Fujimori stands as the various battalions pass in front of him, then he sits down.

The Air Force contingents are followed by the Army Band, which plays at the head of Army contingents. Former Army cadets who are now civilians march as a unit with Army units. The members of a unit from the Army School of Commandos carry rocket launchers and machine guns.

The National Police contingents follow, headed by the National Police Band.

The announcer states that third phase of the parade now begins, while the video shows tanks described as French AMX-13, Russian T- 55, "self-propelled" U.S. tanks, and light tanks. The tanks are followed by horsemen and trained Peruvian horses that perform before the president's platform. The president smiles and applauds.

Amphibious tanks, transport vehicles, U.S.-made tanks, and armed vehicles pass the presidential platform. Helicopters are shown flying overhead. Army assault troops carrying light artillery weapons pass the president's platform. The video then switches from shots of the helicopters to shots of tanks passing in front of the presidential stand. A five-plane squadron flies over the area as military tractors and other mobile equipment approach the presidential platform.

Armored light cavalry units, transport battalion vehicles, and armed military vehicles follow. Highway patrol police vehicles, ambulances, and motorcycles pass the platform with sirens blaring. At 2015 GMT the announces says the parade is over.

President Fujimori shakes hands with military and civilian officials at the presidential platform and then leaves the area standing on the sideboard of an automobile and waving to the people.

President Praises Military, National Police Commanders

PA2807031593 Lima Global de Television Network in Spanish 0100 GMT 28 Jul 93

[Report by Fanny Curay]

[Text] Following the military solidarity parade, President Alberto Fujimori held a luncheon at the Pizarro Presidential Palace for the highest military and National Police authorities to commemorate the Peruvian national holiday. The military and police authorities took the opportunity to reaffirm their commitment to continue working for the country's pacification.

Defense Minister Victor Malca Villanueva was the first to take the floor and speak on behalf of the Armed Forces during the luncheon.

President Alberto Fujimori also spoke and called for sustained development for Peru.

[Begin Fujimori's speech] We must also continue with our efforts and development activities in the forgotten communities throughout Peru. You more than anyone else are aware that the forgotten and isolated communities are the best proof of the indifference and irresponsibility of traditional governments. Today during the pacification parade we were able to move patriotically alongside the people. In addition, we have been able to ascertain how civilians and military personnel feel about our nation's higher destiny. In that task, I express my deepest acknowledgement to the courageous Armed Forces and National Police in this sublime objective of pacification and development. Gentlemen, I toast Peru's accomplishments, its continuation in accordance with our efforts, and our commitment to this great national cause. [end recording]

Constituent Congress President Interviewed

PY2707190693 Lima EXPRESO in Spanish 11 Jul 93 p 5

[Interview with Democratic Constituent Congress President Jaime Yoshiyama by Victor Andres Ponce; place and date not given]

[Text] [Ponce] Will there be a referendum on the new Constitution?

[Yoshiyama] We have clearly stated that all referendum matters will be addressed in August.

[Ponce] I posed the question because some majority members are against it.

[Yoshiyama] The New Majority-Change 90 Alliance must make a decision on the subject. I have listened to the different opinions of [New Majority Independent Group members] Martha Chavez, Dr. Carlos Torres y Torres Lara and Victor Joy Way. It should be noted that all these are personal opinions, because none of them is an authorized spokesman. This situation is similar to that which prevailed at the beginning of the constitutional debate. Everyone voiced an opinion. When the debate began, we met for two days outside Congress and a collective decision was made.

[Ponce] The opposition claims that the new Constitution might be ideologically biased and that it might exclude nonliberal opinions. What do you think of that?

[Yoshiyama] I believe some minority sectors are totally wrong. The Constitution that is being designed is modern and considers current world changes. The world's most developed countries like Japan, the United States, and Great Britain have built their democracies on free competition within an open economy system. On the other hand, the failure of the Communist model of the former USSR has closed that debate...

[Ponce] Could this constitutional proposal produce another disastrous experience like that of [former Peruvian President] Alan Garcia?

[Yoshiyama] I believe the Constitution should be considered as a government framework within which the president manages the state. If an irresponsible person takes over, it is obvious that a disaster could follow.

[Ponce] Could a future government create public enterprises in an indiscriminate manner?

[Yoshiyama] Yes, because the draft Constitution clearly sets forth that public enterprises can be created through a law approved by a comfortable majority. It could be said that the

people are not denied the possibility of having the government they want. However, they are also told to be careful, to reflect on the catastrophic experience of statism.

[Ponce] Another opposition claim is that the draft Constitution ignores a large number of labor social rights. Is it true?

[Yoshiyama] I can categorically tell you that those are false claims that are part of a campaign by some opposition sectors against the approval of a modern Constitution. The text that was approved last Thursday eliminates the wrongly named "labor stability," which was always delusive, because there was no investment. If only 10 percent of the population can have a job, what kind of right to a have job do these opposition members defend? The Constitution seeks to promote national and foreign investment, which will create stable jobs.

[Ponce] What about social security?

[Yoshiyama] The disaster and corruption of the present model, which upholds an obsolete social security system and is against the private system of pensions, should be considered. It is sufficient to recall those who went to collect their pensions and were deceived with bad checks. Are we to perpetuate this system? On the contrary, it is necessary to look at the Chilean experience. A retiring Chilean worker receives—from the private retirement system—a pension 25 percent higher than his last salary.

[Ponce] It has been said that this project concentrates too much power on the executive branch.

[Yoshiyama] How can power be concentrated in a project that promotes decentralization toward municipal districts? Where does that claim come from? Decentralization is the delegation of power to several local governments...

[Ponce] But isn't there concern about putting education under the responsibility of local governments?

[Yoshiyama] Nothing of the sort. The point is that it is necessary to take into account that there are many mayors who are part of the old political system. The president has said that school management should be transferred to social organizations of parents, teachers, and religious organizations.

[Ponce] What do you think of the opposition's role?

[Yoshiyama] It is necessary to differentiate between constructive and destructive opposition. The latter is interested only in....

[Ponce, interrupting] Who are they?

[Yoshiyama] I would rather not mention names, but everyone knows who they are. As I was saying, the only thing they want is to hinder the normal development of debate. I attach no validity to this. On the contrary, some sectors advocate an open, frank debate, proposing alternatives and helping to correct mistakes.

[Ponce] Why don't you tell us who they are?

[Yoshiyama] It is not necessary, because everyone knows.

[Ponce] Can we say that the opposition, as a whole, is not able to provide an alternative form of government?

[Yoshiyama] I would just say that some sectors are not able to propose an alternative form of government.

[Ponce] Is this opposition different from the opposition in previous Congresses?

[Yoshiyama] I believe this opposition is much more refined and lucid than previous ones. I believe this change is very important.

[Ponce] The recent statements by [Lima Mayor Ricardo] Belmont and [former Economy Minister Carlos] Bolona suggest that the opposition is growing...

[Yoshiyama] The presidential reelection is the most sensitive issue within the national political debate. If the current president can be a candidate, and if he has a good chance of being reelected, this situation will immediately promote political polarization. Some people are strongly in favor of Fujimori, while others are strongly against him.

[Ponce] But Belmont has always supported Fujimori, right?

[Yoshiyama] I don't think Belmont and Bolona belong to the opposition. In the case of Belmont, he has a budget problem with the government. I believe the situation will calm down after the new Constitution is approved, establishing the possibility of reelecting the president. The matter has produced unbelievable political passion. Some sectors of Congress are hysterical....

[Ponce, interrupting] But, isn't it to some extent right to demand from the majority more independence from the president?

[Yoshiyama] Everyone knows that when we ran in the election, the 80 candidates of the majority said we would support President Fujimori's reform program. Only 44 of us were elected, but we all fulfilled our electoral promise. We have intimate coordination with the executive branch because we are part of the same program. We are not to blame if there are groups who sponsored 80 candidates and if some of them were elected.